

HOUSE BILL NO. 5

INTRODUCED BY J. WELBORN

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING THE BUILD MONTANA ACT; AUTHORIZING THE CREATION OF STATE DEBT THROUGH THE ISSUANCE OF GENERAL OBLIGATION BONDS AND COAL SEVERANCE TAX BONDS; APPROPRIATING THE PROCEEDS OF THE BONDS FOR STATE AND LOCAL PROJECTS AND IMPROVEMENTS; APPROPRIATING MONEY FOR AND AUTHORIZING CAPITAL PROJECTS FOR THE BIENNIUM ENDING JUNE 30, 2017; APPROPRIATING MONEY TO THE DEPARTMENTS OF COMMERCE AND NATURAL RESOURCES AND CONSERVATION FOR GRANTS AND LOANS TO STATE AND LOCAL ENTITIES AND REGIONAL WATER AUTHORITIES FOR PROJECTS AND IMPROVEMENTS; APPROPRIATING COAL SEVERANCE TAXES FOR DEBT SERVICE; PRIORITIZING PROJECT GRANTS AND AMOUNTS; AUTHORIZING PROJECT GRANTS AND LOANS AND AMOUNTS; REAUTHORIZING PROJECT GRANTS AND LOANS AUTHORIZED BY THE 63RD LEGISLATURE; ESTABLISHING CONDITIONS FOR GRANTS AND LOANS; EXPANDING RULEMAKING AUTHORITY; CREATING THE LOCAL GOVERNMENT PROJECTS AND IMPROVEMENTS BOND PROCEEDS ACCOUNT; PROVIDING FOR OTHER MATTERS RELATING TO THE APPROPRIATIONS; AMENDING SECTIONS 90-6-701 AND 90-6-710, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND TERMINATION DATES."

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

NEW SECTION. Section 1. Definitions. For the purposes of [sections 1 through 7], unless otherwise stated, the following definitions apply:

(1) "Authority only" means approval provided by the legislature to expend money that does not require an appropriation, including grants, donations, auxiliary funds, proprietary funds, and university funds.

(2) "Bonds" means general obligation bond revenue provided for in [section 28(3)] that is deposited in the capital projects account provided for in 17-5-804.

(3) "Capital project" means the acquisition of land or improvements or the planning, capital construction, environmental cleanup, renovation, furnishing, or major repair projects authorized in [sections 1 through 7].

(4) "LRBP" means the long-range building program account in the capital projects fund type provided

for in 17-7-205.

(5) "SBECP funds" means funds from the state building energy conservation program account in the capital projects fund type.

NEW SECTION. Section 2. Capital projects appropriations and authorizations. The following money is appropriated to the department of administration for the indicated capital projects from the indicated sources. Funds not requiring legislative appropriation are included for the purpose of authorization. The department of administration is authorized to transfer the appropriations, authority, or both among the necessary fund types for these projects:

DEPARTMENT OF ADMINISTRATION

Capitol Complex Fire Protection Measures

300,000 (State Special Revenue)	300,000 (Total)
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State special revenue funds consist of general services division internal service funds.

Elevator Modifications for Complex Buildings

700,000 (State Special Revenue)	700,000 (Total)
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State special revenue funds consist of general services division internal service funds.

Flooring Replacement, Capitol Complex

500,000 (State Special Revenue)	500,000 (Total)
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State special revenue funds consist of general services division internal service funds.

State Capitol Complex Infrastructure Repairs

2,000,000 (State Special Revenue)	2,000,000 (Total)
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State special revenue funds consist of general services division internal service funds.

New Montana Heritage Center

39,500,000 (Bonds)	39,500,000 (Total)
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Deferred Maintenance and Repairs, Old Governor's Mansion

200,000 (LRBP)	200,000 (Total)
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Remodel 1100 North Last Chance Gulch

500,000 (State Special Revenue)	
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2,500,000 (Bonds)	3,000,000 (Total)
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State special revenue funds consist of general services division internal service funds.

1	Statewide Life Safety & Deferred Maintenance	
2	2,300,000 (State Special Revenue)	
3	500,000 (Bonds)	2,800,000 (Total)
4	Life Safety, Deferred Maintenance, and Energy Improvements (MSP, MWP, YSD)	
5	2,000,000 (Bonds)	2,000,000 (Total)
6	Statewide Roof Repairs and Replacement	
7	1,950,000 (Bonds)	1,950,000 (Total)
8	SCHOOL FOR THE DEAF & BLIND	
9	Miscellaneous Improvements	
10	125,000 (LRBP)	125,000 (Total)
11	DEPARTMENT OF COMMERCE	
12	Historic Building Maintenance	
13	400,000 (LRBP)	400,000 (Total)
14	DEPARTMENT OF FISH, WILDLIFE & PARKS	
15	Lewis & Clark Caverns SP Electrical Upgrades	
16	2,000,000 (Bonds)	2,000,000 (Total)
17	Bannack State Park Fire Alarm System Upgrade	
18	1,500,000 (Bonds)	1,500,000 (Total)
19	DEPARTMENT OF MILITARY AFFAIRS	
20	Firing Range Cleanup	
21	250,000 (LRBP)	
22	250,000 (Federal Special Revenue)	500,000 (Total)
23	GFAFRC USAR Mechanical System Corrections	
24	450,000 (Federal Special Revenue)	450,000 (Total)
25	CSMS Sandblast Booth	
26	1,500,000 (Federal Special Revenue)	1,500,000 (Total)
27	VA Cemetery Improvements	
28	2,000,000 (Federal Special Revenue)	2,000,000 (Total)
29	DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES	
30	Replace Boiler, MVH	

1	331,500 (LRBP)	331,500 (Total)
2	First Step - Mental Health	
3	7,600,000 (LRBP)	7,600,000 (Total)
4	DEPARTMENT OF TRANSPORTATION	
5	Equipment Storage Buildings	
6	4,300,000 (State Special Revenue)	4,300,000 (Total)
7	MONTANA UNIVERSITY SYSTEM	
8	Romney Hall - MSU Bozeman	
9	28,000,000 (Bonds)	28,000,000 (Total)
10	MT Ag Experiment Station Projects - Phase 1	
11	2,480,000 (Bonds)	2,480,000 (Total)
12	Missoula-UM - Renovation Clapp Science Building	
13	10,000,000 (Bonds)	10,000,000 (Total)
14	Library Renovation - MSU Billings	
15	2,650,000 (Bonds)	2,650,000 (Total)
16	Butte-MTECH - Renovate Engineering Facilities	
17	10,000,000 (Bonds)	10,000,000 (Total)
18	MUS Life Safety, Deferred Maintenance	
19	4,600,000 (LRBP)	4,600,000 (Total)
20	College Facility	
21	4,200,000 (Authority Only)	4,200,000 (Total)
22	New Building - MSU Bozeman	
23	60,000,000 (Authority Only)	60,000,000 (Total)

24

25 **NEW SECTION. Section 3. Capital improvements.** (1) The following money is appropriated to the
26 department of fish, wildlife, and parks in the indicated amounts for the purpose of making capital improvements
27 to statewide facilities. Funds not requiring legislative appropriation are included for the purpose of authorization:

28 Migratory Bird Program

29	845,000 (State Special Revenue)	845,000 (Total)
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30 Parks Program

1	2,766,800 (State Special Revenue)	
2	1,300,000 (Federal Special Revenue)	4,066,800 (Total)
3	Future Fisheries	
4	1,277,000 (State Special Revenue)	1,277,000 (Total)
5	Hatchery Maintenance	
6	600,000 (State Special Revenue)	600,000 (Total)
7	Sekokini Springs Hatchery Rearing Ponds	
8	400,000 (Federal Special Revenue)	400,000 (Total)
9	FAS Site Protection	
10	847,200 (State Special Revenue)	
11	600,000 (Federal Special Revenue)	1,447,200 (Total)
12	Upland Game Bird Program	
13	849,000 (State Special Revenue)	849,000 (Total)
14	Grant Programs	
15	139,000 (State Special Revenue)	
16	3,750,000 (Federal Special Revenue)	3,889,000 (Total)
17	Wildlife Habitat Maintenance	
18	1,234,000 (State Special Revenue)	1,234,000 (Total)
19	Dam Maintenance	
20	50,000 (State Special Revenue)	50,000 (Total)
21	Community Fishing Ponds	
22	50,000 (State Special Revenue)	50,000 (Total)
23	Forest Management	
24	320,000 (State Special Revenue)	320,000 (Total)

25 (2) Authority is being granted to the Montana university system in the amount of \$6 million for the
 26 purpose of making capital improvements to campus facilities. Authority-only funds may include federal special
 27 revenue, donations, grants, and higher education funds. All costs for the operations and maintenance of any new
 28 improvements constructed under this authorization must be paid by the Montana university system from nonstate
 29 sources:

30 General Spending Authority MUS

1	6,000,000 (Authority Only)	6,000,000 (Total)
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(3) The following money is appropriated to the department of military affairs in the indicated amount for the purpose of making capital improvements to statewide facilities. All costs for the operation and maintenance of any new improvements constructed with these funds must be paid by the department of military affairs from nonstate sources:

6 Federal Spending Authority

7	3,000,000 (Federal Special Revenue)	3,000,000 (Total)
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8 (4) The following money is appropriated to the department of transportation in the indicated amount for
9 the purpose of making capital improvements as indicated:

10 Statewide Maintenance, Repair, and Small Projects

11	2,500,000 (State Special Revenue)	2,500,000 (Total)
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12 (5) The following money is appropriated for the indicated capital projects to the department of
13 environmental quality from state building energy conservation funds:

14 Energy Improvements - Statewide

15	2,500,000 (State Special Revenue)	2,500,000 (Total)
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16 State special revenue funds consist of SBEPF funds.

17

18 NEW SECTION. **Section 4. Land acquisition appropriations.** The following money is appropriated
19 to the department of fish, wildlife, and parks in the indicated amounts for purposes of land acquisition, land
20 leasing, easement purchase, or development agreements:

21 Habitat Montana

22	10,668,000 (State Special Revenue)	10,668,000 (Total)
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23 Bighorn Sheep Habitat

24	460,000 (State Special Revenue)	460,000 (Total)
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25 FAS Acquisition

26 245,000 (State Special Revenue)

27	100,000 (Federal Special Revenue)	345,000 (Total)
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28

29 NEW SECTION. **Section 5. Planning and design.** The department of administration may proceed with
30 the planning and design of capital projects prior to the receipt of other funding sources. The department may use

1 interentity loans in accordance with 17-2-107 to pay planning and design costs incurred before the receipt of
2 funding from another funding source.

3
4 **NEW SECTION. Section 6. Capital projects -- contingent funds.** If a capital project is financed in
5 whole or in part with appropriations contingent upon the receipt of funding from another funding source, the
6 department of administration may not let the project for bid until the agency receiving funding has submitted a
7 financial plan for approval by the director of the department of administration. A financial plan may not be
8 approved by the director if:

9 (1) the level of funding provided under the financial plan deviates substantially from the funding level
10 provided in [section 2] for that project; or

11 (2) the scope of the project is substantially altered or revised from the preliminary plans presented for
12 that project in the 2017 biennium long-range building program presented to the 64th legislature.

13
14 **NEW SECTION. Section 7. Review by department of environmental quality.** The department of
15 environmental quality shall review capital projects authorized in [section 2] for potential inclusion in the state
16 building energy conservation program under Title 90, chapter 4, part 6. When a review shows that a capital
17 project will result in energy improvements, that project must be submitted to the energy conservation program
18 for funding consideration. Funding provided under the energy conservation program guidelines must be used to
19 offset or add to the authorized funding for the project, and the amount will be dependent on the annual utility
20 savings resulting from the facility improvement. Agencies must be notified of potential funding after the review.

21
22 **NEW SECTION. Section 8. Appropriations for renewable resource grants.** (1) For the biennium
23 beginning July 1, 2015, there is appropriated from the natural resources projects state special revenue account
24 established in 15-38-302 to the department of natural resources and conservation up to:

- 25 (a) \$100,000 for emergency projects to be awarded by the department over the course of the biennium;
26 (b) \$700,000 for planning grants to be awarded by the department over the course of the biennium;
27 (c) \$200,000 for irrigation development grants to be awarded by the department over the course of the
28 biennium;
29 (d) \$300,000 for watershed grants to be awarded by the department over the course of the biennium;
30 and

(e) \$100,000 for septic loan grants to be awarded by the department over the course of the biennium.

(2) There is appropriated from the natural resources projects state special revenue account established in 15-38-302 to the department of natural resources and conservation \$6,072,615 for grants to political subdivisions and local governments during the biennium beginning July 1, 2015. The funds referred to in this subsection must be awarded by the department to the named entities for the described purposes and in the grant amounts listed in subsection (4), subject to the conditions set forth in [sections 10 and 11] and the contingencies described in the renewable resource grant and loan program January 2015 report to the 64th legislature.

(3) Funds must be awarded up to the amounts approved in subsection (4) in the following order of priority. Funds not accepted or used by these projects may be provided for any renewable resource programs authorized under this section. If at any time a grant sponsor determines that a project will not begin before June 30, 2017, the sponsor shall notify the department of natural resources and conservation.

(4) The following are the prioritized grant projects:

RENEWABLE RESOURCE GRANT AND LOAN PROGRAM

Applicant/Project	Amount
Conservation District	
(Supply Diversion Improvement Project)	\$125,000
Whitefish, City of	
(I & I Mitigation Project)	\$125,000
White Sulphur Springs, City of	
(Wastewater Improvements Project - Phase 2)	\$125,000
Polson, City of	
(Wastewater System Improvements)	\$125,000
Livingston, City of	
(Wastewater Treatment Plant Upgrades)	\$125,000
Cascade, Town of	
(Missouri River Reclamation)	\$125,000
Bitter Root Irrigation District	
(Siphon 1 - Phase 3 Improvements Project)	\$125,000
Westby, Town of	
(Wastewater System Improvements)	\$125,000

1	Bainville, Town of	
2	(Wastewater System Improvements)	\$125,000
3	Fallon County Water and Sewer District	
4	(Wastewater Collection System)	\$125,000
5	Sidney, City of	
6	(Wastewater Improvements Project Phase II)	\$125,000
7	Terry, Town of	
8	(Wastewater Treatment Upgrades)	\$125,000
9	Department of Natural Resources and Conservation-Water Resources Division	
10	(Musselshell Basin Instrumentation Project)	\$125,000
11	Pondera County Conservation District	
12	(Wasteway Rehabilitation and Water Quality	
13	Improvements Project)	\$125,000
14	Upper and Lower River Road Water and Sewer District	
15	(Phase 5 Water and Sewer Improvements)	\$125,000
16	Missoula County	
17	(Mill Creek Restoration Project)	\$125,000
18	Flaxville, Town of	
19	(Wastewater System Improvements)	\$125,000
20	Milk River Joint Board of Control	
21	(Hydrometric Gauging Station Expansion	
22	and Upgrade Project)	\$125,000
23	Missoula, City of	
24	(Caras Park Outfall Stormwater Treatment	
25	Retrofit, Phase 1)	\$125,000
26	Chester, Town of	
27	(Wastewater Improvements)	\$125,000
28	Hysham, Town of	
29	(Water System Improvements)	\$125,000
30	Simms County Sewer District	

1	(Wastewater System Improvements)	\$125,000
2	Ten Mile/Pleasant Valley Sewer District	
3	(Wastewater System Improvements Phase 3)	\$125,000
4	Laurel, City of	
5	(Water System Improvements)	\$125,000
6	Pondera County Conservation District	
7	(C-5 Canal Conversion Project)	\$125,000
8	Fromberg, Town of	
9	(Wastewater System Improvements)	\$125,000
10	Jefferson County	
11	(Whitehall Sugar Beet Row Wastewater	
12	System Improvements)	\$125,000
13	Sweet Grass County Conservation District	
14	(Electric Light Ditch Irrigation Diversion Rehabilitation Project)	\$125,000
15	Butte-Silver Bow Consolidated City-County	
16	(Moulton Reservoir - Reclamation &	
17	Protection Project)	\$125,000
18	Rocker, Montana County Water and Sewer District	
19	(Sewer Connection to TIFID Wastewater	
20	Pipeline)	\$125,000
21	Tri-County Water District	
22	(Water System Improvement)	\$125,000
23	Neihart, Town of	
24	(Water System Improvements)	\$125,000
25	Cut Bank, City of	
26	(Wastewater Treatment Project)	\$125,000
27	Missoula County	
28	(Buena Vista Trailer Community Wastewater	
29	Improvements Phase 1)	\$125,000
30	Denton, Town of	

1	(Water System)	\$125,000
2	Buffalo Rapids Irrigation Project District 1	
3	(Lateral 19.3 Pipeline Conversion	
4	Project Phase 1)	\$125,000
5	Winifred, Town of	
6	(Water System Improvements)	\$125,000
7	Highwood County Water and Sewer District	
8	(Wastewater System Improvements)	\$125,000
9	Lower Yellowstone Irrigation Project	
10	(Wasteway Project)	\$65,000
11	Department of Natural Resources and Conservation-Water Resources Division	
12	(East Fork Rock Creek Main Canal	
13	Lining Project)	\$125,000
14	Riverside Water and Sewer District	
15	(Wastewater Facility Plan)	\$125,000
16	Lewistown, City Of	
17	(Riverdale Subdivision Wastewater Collection System)	\$125,000
18	East Clark Street Water and Sewer District	
19	(Wastewater Collection System)	\$125,000
20	Daly Ditches Irrigation District	
21	(Preservation and Conservation of Resources)	\$125,000
22	Buffalo Rapids Irrigation Project District 2	
23	(Main Canal Rehabilitation)	\$125,000
24	Sidney Water Users Irrigation District	
25	(High Canal Phase 5 Project)	\$125,000
26	Lower Musselshell County Conservation District	
27	(DMWUA South Canal Pre-Tunnel	
28	Lining Project)	\$125,000
29	Clinton Irrigation District	
30	(Canal Wasteway Rehabilitation)	\$125,000

1	Roundup, City of	
2	(Water System Improvements)	\$125,000
3	Missoula County Weed District	
4	(Montana Biological Weed Control	
5	Coordination Project)	\$100,500
6	Jordan, Town of	
7	(Wastewater System Improvements)	\$125,000
8	Crow Tribe of Indians	
9	(Wastewater Collection System	
10	Improvement Project)	\$125,000
11	Helena Valley Irrigation District	
12	(Irrigation Efficiency and Water	
13	Conservation Project)	\$125,000
14	Fort Shaw Irrigation District	
15	(Reduce Waste Project)	\$125,000
16	Hysham Irrigation District	
17	(Re-Lift Canal Improvement Project)	\$125,000
18	South Wind Water and Sewer District	
19	(Water Distribution and Wastewater	
20	Collection Study)	\$125,000
21	Bainville, Town of	
22	(Water System Improvements)	\$125,000
23	Black Eagle-Cascade County Water & Sewer District	
24	(Wastewater Collection System	
25	Rehabilitation Phase 2)	\$125,000
26	Yellowstone Boys and Girls Ranch	
27	(Wastewater Improvements Project)	\$125,000
28	Fort Peck Tribes	
29	(Lateral L-42M Rehabilitation Project,	
30	Phase 1)	\$125,000

1	Toston Irrigation District	
2	(Toston Canal Rehabilitation Project)	\$125,000
3	Hot Springs, Town of	
4	(Wastewater Improvements Project)	\$125,000
5	Lockwood Irrigation District	
6	(Pump Station Rehabilitation)	\$125,000
7	Missoula, City of	
8	(Buckhouse Bridge Outfall - Stormwater	
9	Treatment Retrofit)	\$125,000
10	Harlowton, City of	
11	(Phase 3 Water System Improvements)	\$125,000
12	Greenfields Irrigation District	
13	(J-Lake Rehabilitation and Water Quality	
14	Improvement)	\$125,000
15	Malta Irrigation District	
16	(Exeter Siphon Replacement Project)	\$125,000
17	Garfield County Conservation District	
18	(Little Dry Water User's Association-	
19	Infrastructure Improvements)	\$125,000
20	Gallatin County	
21	(Septic System Repair Assistance Program)	\$125,000
22	Flaxville, Town of	
23	(Water System Improvements)	\$125,000
24	Glasgow, City of	
25	(Water System Improvements)	\$125,000
26	Conrad, City of	
27	(Conrad Water System Improvements)	\$125,000
28	Missoula Irrigation District	
29	(Water Conservation Project)	\$125,000
30	Malta Irrigation District	

1	(Peoples Creek Diversion Dike	
2	Rehabilitation Project)	\$125,000
3	East Bench Irrigation District	
4	(Main Canal Gate Automation)	\$125,000
5	Dillon, City of	
6	(Water System Improvements)	\$125,000
7	Medicine Lake, Town of	
8	(Wastewater Improvements)	\$125,000
9	Kevin, Town of	
10	(Wastewater Improvement Project - 2014)	\$125,000
11	Department of Environmental Quality	
12	(Montana Time of Travel - Interactive Web Map	
13	Application for Montana)	\$125,000
14	Liberty County Conservation District	
15	(Marias River Bank Stabilization Project	
16	- Phase 2)	\$125,000
17	Foys Lakeside County Water and Sewer District	
18	(Water System Improvements)	\$125,000
19	Ruby Valley Conservation District	
20	(Smith Slough/Smith Ditch Fisheries	
21	Enhancement Project)	\$125,000
22	Green Mountain Conservation District	
23	(Improving Water Quality and Fish Habitat in the	
24	Vermilion River Watershed)	\$120,248
25	Glen Lake Irrigation District	
26	(Costich Drop Rehabilitation Project)	\$125,000
27	Lincoln County	
28	(Measuring and Modeling the Effects of Mining and	
29	Associated Reclamation Activities on Selenium and	
30	Nitrate Inputs to Lake Koocanusa)	\$110,500

1	Petroleum County Conservation District	
2	(Musselshell Watershed Prioritized	
3	Projects Initiative)	\$125,000
4	Big Sandy, Town of	
5	(Water System Improvements)	\$125,000
6	RAE Subdivision County Water and Sewer District No. 313	
7	(Woodland Park Well)	\$125,000
8	Judith Gap, Town of	
9	(Phase Sewer Improvements)	\$125,000
10	Gore Hill County Water District	
11	(Water System Improvements)	\$125,000
12	Department of Natural Resources and Conservation-Flathead Basin Commission	
13	(Flathead Basin Watershed Plan)	\$125,000
14	Huntley Project Irrigation District	
15	(Feasibility Study)	\$125,000
16	Crow Tribe of Indians	
17	(Crow Agency Renewable Energy Technology	
18	Wastewater Treatment Facility)	\$117,500
19	Park County Conservation District	
20	(Upper Shields River Fish Barrier and	
21	Road Improvements)	\$120,000
22	Bozeman, City of	
23	(Sourdough Canyon Natural Water	
24	Storage Assessment)	\$125,000
25	Department of Natural Resources and Conservation-Water Resources Division	
26	(Willow Creek Access Road	
27	Rehabilitation Project)	\$125,000
28	Sanders County	
29	(Middle Clark Fork River, Plains Reach -	
30	Channel Stabilization)	\$125,000

1	Thompson Falls, City of	
2	(Water System Improvements)	\$125,000
3	Shelby, City of	
4	(Stormwater System Improvements)	\$125,000
5	Mile High Conservation District	
6	(Blacktail Creek Non Point Nutrient	
7	Management Project)	\$125,000

8

9 **NEW SECTION. Section 9. Appropriations for reclamation and development grants.** (1) There is

10 appropriated to the department of natural resources and conservation from the natural resources projects state

11 special revenue account established in 15-38-302 up to:

12 (a) \$800,000 for planning reclamation and development projects to be awarded by the department over

13 the course of the biennium;

14 (b) \$500,000 to implement measures to control invasive aquatic species in state waters; and

15 (c) \$214,000 for the Montana Salinity Control Association.

16 (2) The amount of \$4,781,215 is appropriated to the department of natural resources and conservation

17 from the natural resources projects state special revenue account for grants to political subdivisions and local

18 governments during the biennium ending June 30, 2017. The funds in this subsection must be awarded by the

19 department to the named entities for the described purposes and in the grant amounts set out in subsection (4)

20 subject to the conditions set forth in [sections 10 and 11] and the contingencies described in the reclamation and

21 development grant program January 2015 report to the 64th legislature.

22 (3) Funds must be awarded up to the amounts approved in this section in the order of priority listed in

23 subsection (4). Funds not accepted or used by these projects may be provided for grants awarded under

24 subsection (1) or under the renewable resource grant and loan program projects authorized by the 64th

25 legislature in [section 8].

26 (4) The following are the prioritized grant projects:

27	Applicant/Project	Amount
28	Montana Board of Oil & Gas Conservation	
29	(2015 Southern District)	\$300,000
30	Montana Board of Oil & Gas Conservation	

1	(2015 Northeast District)	\$300,000
2	Montana Department of Environmental Quality	
3	(Belt Water Treatment Project)	\$500,000
4	Montana Department of Environmental Quality	
5	(Black Pine Mine - South Fork Lower Willow Creek	
6	Fluvially Deposited Mill Tailings)	\$500,000
7	Missoula County	
8	(Martina Creek & Ninemile Creek Reclamation)	\$484,000
9	City-County Board of Health Lincoln County	
10	(Protocols Public Health Protection & Commercial Use	
11	of Wood Products Impacted by Vermiculite Mining)	\$430,595
12	Deer Lodge Conservation District	
13	(French Gulch Placer Mining Restoration)	\$500,000
14	Montana Department of Environmental Quality	
15	(Landusky Bioreactor Rehabilitation)	\$500,000
16	Montana Department of Environmental Quality	
17	(Basin Creek Mine - Site Stability Project)	\$500,000
18	Montana Department of Environmental Quality	
19	(Sand Coulee Acid Mine Drainage Source Control)	\$332,443
20	Deer Lodge Conservation District	
21	(Moose-French Creek Placer Mining Restoration)	\$85,000
22	Montana Department of Environmental Quality	
23	(Mitigation of Threat to Harlowton	
24	Public Drinking Water)	\$82,440
25	Madison County	
26	(North Willow Creek Reclamation)	\$499,828
27	Cascade County	
28	(Identifying the Fate of Acid Mine Drainage and	
29	Potential Impacts to Madison Aquifer)	\$327,322
30	Montana Bureau of Mines & Geology	

1	(Enhance Monitoring Fox Hills - Hell Creek Aquifer)	\$499,109
2	Montana Bureau of Mines & Geology	
3	(Enhance Montana's Manufacturing Growth Through	
4	Production of Commodities from Remediation)	\$498,171
5	Roosevelt County	
6	(Kenco Refinery Highest Priority Cleanup)	\$150,000

7

8 **NEW SECTION. Section 10. Coordination of fund sources for grants to political subdivisions and**

9 **local governments.** A project sponsor listed under [sections 8(4) and 9(4)] may not receive funds from both the

10 reclamation and development grants program and the renewable resource grant and loan program for the same

11 project during the same biennium.

12

13 **NEW SECTION. Section 11. Condition of grants.** Disbursement of funds under [sections 8 and 9] is

14 subject to the following conditions that must be met by the project sponsor:

15 (1) A scope of work and budget for the project must be approved by the department of natural resources

16 and conservation. Any changes in scope of work or budget subsequent to legislative approval may not change

17 project goals and objectives. Changes in activities that would reduce the public or natural resource benefits as

18 presented in department of natural resources and conservation reports and applicant testimony to the 64th

19 legislature may result in a proportional reduction in the grant amount.

20 (2) The project sponsor shall show satisfactory completion of conditions described in the

21 recommendation section of the project narrative of the program report to the legislature for the biennium ending

22 June 30, 2017, or, in the case of planning grants issued under [sections 8(1) and 9(1)], completion of conditions

23 specified at the time of written notification of approved grant authority.

24 (3) The project sponsor must have a fully executed grant agreement with the department.

25 (4) Any other specific requirements considered necessary by the department must be met to accomplish

26 the purpose of the grant as evidenced from the application to the department or from the proposal as presented

27 to the legislature.

28

29 **NEW SECTION. Section 12. Other appropriations.** There is appropriated to any entity of state

30 government that receives a grant under [sections 8 through 11] the amount of the grant upon award of the grant

by the department of natural resources and conservation. Grants to entities from prior biennia are reauthorized for completion of contract work.

NEW SECTION. Section 13. Authorization to provide loans. (1) The department of natural resources and conservation is authorized to make loans to the political subdivisions of state government and local governments listed in subsections (2) through (4) in amounts not to exceed the loan amounts listed for each project from the proceeds of the bonds authorized in [section 15].

(2) The interest rate for the project in this group is 3.0% or the rate at which the state bonds are sold, whichever is lower, for up to 20 years:

Loan	Amount
Department of Natural Resources and Conservation - Conservation and Resource Development Division	
(Refinance Existing Debt or Rehabilitation of Water and	
Sewer Facilities)	\$5,000,000

(3) The interest rate for the projects in this group is 4% or the rate at which the state bonds are sold, whichever is lower, for up to 20 years:

Loan	Amount
Department of Natural Resources and Conservation	
(Deadman's Basin)	\$500,000
Highwood Water/Sewer District	\$60,000
Yellowstone Boys and Girls Ranch, WSD	\$800,000
City of Dillon	\$50,000

(4) The interest rate for the project in this group is 4.0% or the rate at which the state bonds are sold, whichever is lower, for up to 30 years:

Loan	Amount
Bitter Root Irrigation District	\$1,773,976

NEW SECTION. Section 14. Projects not completing requirements -- projects reauthorized. (1) The legislature finds that the following renewable resource projects that were approved by the 63rd legislature in Chapter 365, Laws of 2013, may not complete the requirements necessary to obtain the loan funds prior to June 30, 2015. The projects described in this section are reauthorized. The department of natural resources and

conservation is authorized to make loans to the political subdivisions of state government and local governments listed in subsection (2) in amounts not to exceed the loan amounts listed for each project from the proceeds of the bonds authorized in [section 15].

(2) The interest rate for the projects in this group is 4.0% or the rate at which the state bonds are sold, whichever is lower, for up to 30 years.

Loan	Amount
Dry Prairie Regional Water Authority	
(Local Match for Dry Prairie Projects)	\$6,000,000
North Central Regional Water Authority	
(Local Match for North Central Projects)	\$10,000,000

NEW SECTION. Section 15. Coal severance tax bonds authorized. (1) The legislature finds that Title 17, chapter 5, part 7, provides for the issuance of coal severance tax bonds for financing specific approved renewable resource projects as part of the state renewable resource grant and loan program. Available funds from previous sales of coal severance tax bonds, plus any additional principal amount on bonds as may be necessary, pursuant to the conditions in 85-1-605, to fund emergency loans, as authorized and approved in accordance with 85-1-605(4), may also be used for the projects approved in [sections 13 and 14]. The board of examiners is authorized to issue coal severance tax bonds in an amount not to exceed \$26,602,374 in the biennium beginning July 1, 2015, of which up to \$2,418,398 is to be used to establish a reserve for the bonds. Proceeds of the bonds are appropriated to the department of natural resources and conservation for financing the projects identified in [sections 13 and 14] and may be used as authorized in 85-1-605(4). Loans made under 85-1-605(4) must bear interest at the rate borne by the state bonds unless the legislature in a subsequent session provides for a lower interest rate, in which case the rate must be reduced to the rate specified by the legislature.

(2) In connection with the issuance of coal severance tax bonds, the board of examiners may pay the principal and interest on the bonds when due from the debt service account and in all other respects manage and use the funds within each special bond account for the benefit of the bonds. The board of examiners shall exercise its discretion to enhance the marketability of the bonds and to secure the most advantageous financial arrangements for the state.

(3) Earnings on bond proceeds prior to the completion of any loan must be allocated to the debt service account to pay the debt service on the bonds during this period. Earnings in excess of debt service, if any, must

1 be allocated to the natural resources projects state special revenue account established in 15-38-302.

2 (4) Loan repayments from loans financed with coal severance tax bonds are pledged, dedicated, and
3 appropriated to the debt service account in the state treasury for the benefit of bonds approved for loans under
4 this section.

5
6 **NEW SECTION. Section 16. Condition of loans.** (1) Disbursement of funds under [sections 13 and
7 14] for loans is subject to the following conditions that must be met by project sponsors:

8 (a) approval of a scope of work and budget for the project by the department of natural resources and
9 conservation. Reductions in a scope of work or budget may not affect priority activities or improvements.

10 (b) documented commitment of other funds required for project completion;

11 (c) satisfactory completion of conditions described in the recommendations section of the project
12 narrative in the renewable resource grant and loan program project evaluations and recommendations report;

13 (d) execution of a loan agreement with the department of natural resources and conservation; and

14 (e) accomplishment of other specific requirements considered necessary by the department of natural
15 resources and conservation to accomplish the purpose of the loan as evidenced from the application to the
16 department or from the proposal to the legislature.

17 (2) Each sponsor authorized for a loan from coal severance tax bond proceeds may be required to pay
18 to the department of natural resources and conservation a pro rata share of the bond issuance costs and the
19 administrative costs incurred by the department to complete the loan transaction.

20
21 **NEW SECTION. Section 17. Private and discount purchase of loans.** Loans to political subdivisions
22 and local government entities pursuant to [sections 13 and 14] and bonds, warrants, and notes issued in evidence
23 of those loans may be made, purchased by, and sold to the department of natural resources and conservation
24 at a discount and at a private negotiated sale, notwithstanding the provisions of any other law applicable to
25 political subdivisions or local government entities.

26
27 **NEW SECTION. Section 18. Appropriations established.** For any entity of state government that
28 receives a loan under [section 13 or 14], an appropriation is established for the amount of the loan upon award
29 of the loan by the department of natural resources and conservation.

NEW SECTION. Section 19. Appropriations from treasure state endowment state special revenue

account. (1) There is appropriated to the department of commerce from the treasure state endowment state special revenue account established in 17-5-703 up to:

(a) \$900,000 for infrastructure planning projects to be awarded by the department over the course of the biennium beginning July 1, 2015; and

(b) \$100,000 for emergency projects to be awarded by the department over the course of the biennium beginning July 1, 2015.

(2) There is appropriated to the department of commerce \$15,787,510 for the biennium beginning July 1, 2015, from the treasure state endowment state special revenue account to finance grants authorized by this section.

(3) The funds appropriated in subsection (2) must be used by the department to make grants to the governmental entities listed in subsection (4) for the described purposes and in amounts not to exceed the amounts set out in subsection (4). The grants authorized in this section are subject to the conditions set forth in [section 20] and described in the treasure state endowment program 2017 biennium report to the 64th legislature. The department shall commit funds to projects listed in subsection (4), up to the amounts authorized, based on the manner of disbursement set forth in [section 20] until the funds deposited into the treasure state endowment state special revenue account during the biennium beginning July 1, 2015, are expended.

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

Other Infrastructure Applicant (project type)	Grant Amount
1. Fallon County Water and Sewer District (wastewater)	\$680,000
2. Polson, City of (wastewater)	\$750,000
3. Harlowton, City of (water)	\$750,000
4. Havre, City of (stormwater)	\$500,000
5. Bainville, Town of (water)	\$625,000
6. Crow Tribe of Indians (wastewater)	\$750,000
7. East Clark Street Water and Sewer District (wastewater)	\$536,850
8. Whitefish, Town of (wastewater)	\$500,000
9. Hysham, Town of (water)	\$625,000
10. Big Sandy, Town of (water)	\$750,000
11. Roundup, City of (water)	\$500,000

1	12. Laurel, City of (water)	\$500,000
2	13. Terry, Town of (wastewater)	\$750,000
3	14. Fromberg, Town of (wastewater)	\$750,000
4	15. Upper/Lower River Road Water and Sewer District (water & wastewater)	\$340,000
5	16. Westby, Town of (wastewater)	\$625,000
6	17. Hot Springs, Town of (wastewater)	\$103,000
7	18. Glasgow, City of (water)	\$500,000
8	19. White Sulphur Springs, City of (wastewater)	\$750,000
9	20. Lewistown, City of (wastewater)	\$500,000
10	21. Greater Woods Bay Sewer District (wastewater)	\$750,000
11	22. Ten Mile Creek Estates/Pleasant Valley Sewer District (wastewater)	\$500,000
12	23. Thompson Falls, City of (water)	\$499,000
13	24. Butte-Silver Bow City/County (wastewater)	\$406,526
14	25. Flaxville, Town of (wastewater)	\$625,000
15	26. Conrad, City of (water)	\$500,000
16	27. Dillon, City of (water)	\$625,000
17	28. Medicine Lake, Town of (wastewater)	\$500,000
18	29. Denton, Town of (water)	\$625,000
19	30. Neihart, Town of (water)	\$500,000
20	31. Tri-County Water District (water)	\$661,000
21	32. Winifred, Town of (water)	\$625,000
22	33. Livingston, City of (wastewater)	\$625,000
23	34. Simms County Sewer District (wastewater)	\$500,000
24	35. Sunburst, Town of (wastewater)	\$107,000
25	36. Judith Gap, Town of (wastewater)	\$125,000
26	37. Chester, Town of (wastewater)	\$500,000
27	38. Jordan, Town of (wastewater)	\$500,000
28	39. Foy's Lakeside Estates Water and Sewer District (water)	\$157,150
29	40. Philipsburg, Town of (wastewater)	\$545,000
30	Bridge Applicant	Grant Amount

1	1. Hill County	\$291,997
2	2. Custer County	\$467,397
3	3. Sweet Grass County	\$303,898
4	4. Yellowstone County	\$648,476
5	5. Valley County	\$494,108
6	6. Madison County	\$750,000
7	7. Carbon County	\$500,000
8	8. Fergus County	\$337,594
9	9. Chouteau County	\$207,184
10	10. Ravalli County	\$195,798
11	11. Broadwater County	\$338,100

12 (5) A grant recipient's entitlement to receive funds is dependent on the grant recipient's compliance with
13 the conditions described in [section 20(1)] and on the availability of funds.

14 (6) Funding for projects in subsection (4) will be provided only as long as there are sufficient funds
15 available from the amount that was deposited into the treasure state endowment state special revenue account
16 during the biennium beginning July 1, 2015. Funding for these projects will be made available in the order that
17 the grant recipients satisfy the conditions described in [section 20(1)]. However, any of the projects listed in
18 subsection (4) that have not completed the conditions described in [section 20(1)] by September 30, 2016, must
19 be reviewed by the next regular session of the legislature to determine if the authorized grant should be
20 withdrawn.

21 (7) Grant recipients shall complete all of the conditions described in [section 20(1)] by September 30,
22 2018, or any obligation to the grant recipient will cease.

23
24 **NEW SECTION. Section 20. Condition of grants -- disbursements of funds.** (1) The disbursement
25 of grant funds for the projects specified in [section 19(4)] is subject to completion of the following conditions:

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

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

30 (c) The grant recipient must be in compliance with the auditing and reporting requirements provided for

1 in 2-7-503 and have established a financial accounting system that the department can reasonably ensure
2 conforms to generally accepted accounting principles. Tribal governments shall comply with auditing and
3 reporting requirements provided for in OMB Circular A-133.

4 (d) The grant recipient shall satisfactorily comply with any conditions described in the application (project)
5 summaries section of the treasure state endowment program 2017 biennium report to the 64th legislature.

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

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

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

15 (3) Recipients of treasure state endowment program funds are subject to the requirements of the
16 department of commerce as described in the most recent edition of the Treasure State Endowment Program
17 Project Administration Manual adopted by the department through the administrative rulemaking process.

18
19 **NEW SECTION. Section 21. Other powers and duties of department.** (1) The department of
20 commerce shall disburse grant funds on a reimbursement basis as grant recipients incur eligible project
21 expenses.

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

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

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

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

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

Section 22. Section 90-6-701, MCA, is amended to read:

"90-6-701. Treasure state endowment program created -- definitions. (1) (a) There is a treasure state endowment program that consists of:

(i) the treasure state endowment fund established in 17-5-703;

(ii) the infrastructure portion of the coal severance tax bond program provided for in 17-5-701(2).

(b) The treasure state endowment program may borrow from the board of investments to provide additional financial assistance for local government infrastructure projects under this part, provided that no part of the loan may be made from retirement funds.

(2) Interest from the treasure state endowment fund and from proceeds of the sale of bonds under 17-5-701(2) may be used to provide financial assistance for local government infrastructure projects under this part, to provide funding to the department of commerce for the administrative costs of the treasure state endowment program, and to repay loans from the board of investments.

(3) As used in this part, the following definitions apply:

(a) "Infrastructure projects" means:

(i) drinking water systems;

(ii) wastewater treatment;

(iii) sanitary sewer or storm sewer systems;

(iv) solid waste disposal and separation systems, including site acquisition, preparation, or monitoring;

or

(v) public safety infrastructure related to law enforcement, fire protection, or emergency services; or

~~(v)~~(vi) bridges.

(b) "Local government" means an incorporated city or town, a county, a consolidated local government, a tribal government, a county or multicounty water, sewer, or solid waste district, or an authority as defined in 75-6-304.

(c) "Treasure state endowment fund" means the coal severance tax infrastructure endowment fund

1 established in 17-5-703(1)(b).

2 (d) "Treasure state endowment program" means the local government infrastructure investment program
3 established in subsection (1).

4 (e) "Tribal government" means a federally recognized Indian tribe within the state of Montana."
5

6 **Section 23.** Section 90-6-710, MCA, is amended to read:

7 **"90-6-710. Priorities for projects -- procedure -- rulemaking.** (1) The department of commerce must
8 receive proposals for infrastructure projects from local governments on a continual basis. The department shall
9 work with a local government in preparing cost estimates for a project. In reviewing project proposals, the
10 department may consult with other state agencies with expertise pertinent to the proposal. For the projects under
11 90-6-703(1)(a), the department shall prepare and submit two lists containing the recommended projects and the
12 recommended form and amount of financial assistance for each project to the governor, prioritized pursuant to
13 subsection (2) and this subsection. One list must contain the ranked and recommended bridge projects, and the
14 other list must contain the remaining ranked and recommended infrastructure projects referred to in
15 90-6-701(3)(a). Each list must be prioritized pursuant to subsection (2) of this section, but the department may
16 recommend up to 20% of the interest earnings anticipated to be deposited into the treasure state endowment fund
17 established in 17-5-703 during the following biennium for bridge projects. Before making recommendations to
18 the governor, the department may adjust the ranking of projects by giving priority to urgent and serious public
19 health or safety problems. The governor shall review the projects recommended by the department and shall
20 submit the lists of recommended projects and the recommended financial assistance to the legislature.

21 (2) In preparing recommendations under subsection (1), preference must be given to infrastructure
22 projects based on the following order of priority:

23 (a) projects that solve urgent and serious public health or safety problems or that enable local
24 governments to meet state or federal health or safety standards;

25 (b) projects that reflect greater need for financial assistance than other projects;

26 (c) projects that incorporate appropriate, cost-effective technical design and that provide thorough,
27 long-term solutions to community public facility needs;

28 (d) projects that reflect substantial past efforts to ensure sound, effective, long-term planning and
29 management of public facilities and that attempt to resolve the infrastructure problem with local resources;

30 (e) projects that enable local governments to obtain funds from sources other than the funds provided

1 under this part;

2 (f) projects that provide long-term, full-time job opportunities for Montanans, that provide public facilities
3 necessary for the expansion of a business that has a high potential for financial success, or that maintain the tax
4 base or that encourage expansion of the tax base; and

5 (g) projects that are high local priorities and have strong community support.

6 (3) After the review required by subsection (1), the projects must be approved by the legislature.

7 (4) The department shall adopt rules necessary to implement the treasure state endowment program.

8 (5) The department shall report to each regular session of the legislature the status of all projects that
9 have not been completed in order for the legislature to review each project's status and determine whether the
10 authorized grant should be withdrawn.

11 (6) Beginning June 1, 2015, the department must receive proposals from local or tribal governments
12 impacted by growth associated with oil and gas development for community planning and for drinking water,
13 wastewater treatment, or public safety infrastructure projects for an existing or future population. The department
14 shall award grants from June 1, 2015, until April 30, 2016, and distribute the funds appropriated in [section
15 27(2)(d)] on a reimbursement basis from June 1, 2015, until June 29, 2019. Any funds appropriated in [section
16 (27)(2)(d)] and not obligated under this subsection to a local or tribal government by June 30, 2016, must revert
17 to the general fund."

18
19 **NEW SECTION. Section 24. Appropriation from treasure state endowment regional water system**
20 **special revenue account.** (1) There is appropriated \$3,259,761 to the department of natural resources and
21 conservation for the biennium beginning July 1, 2015, from the treasure state endowment regional water system
22 special revenue account to finance the state's share of regional water system projects authorized in subsection
23 (2) and as set forth in 90-6-715.

24 (2) Montana's four regional water authorities are authorized to receive the funds appropriated in
25 subsection (1) as long as there are sufficient funds available from the amount that was deposited into the treasure
26 state endowment regional water system special revenue account during the biennium beginning July 1, 2015.

27 (3) A regional water authority's receipt of funds is dependent on the authority's compliance with the
28 conditions described in [section 25(1)].

29
30 **NEW SECTION. Section 25. Conditions -- manner of disbursements of funds.** (1) The disbursement

1 of funds under [section 24] is subject to completion of the following conditions:

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

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

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

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

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

12

13 **NEW SECTION. Section 26. Appropriations from school facility and technology state special**
14 **revenue account.** (1) There is appropriated to the department of commerce from the school facility and
15 technology state special revenue account up to:

16 (a) \$900,000 for matching school facility planning grants to be awarded by the department over the
17 course of the biennium;

18 (b) \$100,000 for emergency grants to be awarded by the department over the course of the biennium.

19 (2) There is appropriated to the department of commerce \$11,160,979 from the school facility and
20 technology state special revenue account to be used to finance grants authorized by this section.

21 (3) The funds appropriated in subsection (2) must be used by the department to make grants to the
22 public school districts listed in subsection (4) for the described purposes and in amounts not to exceed the
23 amounts set out in subsection (4). The appropriation is subject to the conditions set forth in 90-6-812 and
24 described in the quality schools facility grant program 2017 biennium report to the 63rd legislature. The
25 department shall commit funds to projects listed in subsection (4), up to the amounts authorized, based on the
26 manner of disbursement set forth in subsections (5) through (7), until the funds appropriated in subsection (2)
27 are expended.

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

29 Applicant/Project	Grant Amount
30 1. Miles City ELE (Fire system upgrades)	\$359,623

1	2. Custer County HS (Drainage and roof upgrades)	\$960,254
2	3. Yellowstone Academy ELE (wastewater)	\$470,000
3	4. Pryor ELE (Replace unsafe school)	\$1,220,000
4	5. Wolf Point ELE (Drainage and roof upgrades)	\$862,300
5	6. Arlee ELE (Replace boiler)	\$375,000
6	7. Livingston ELE (HVAC upgrades)	\$665,000
7	8. Polson ELE (replace boiler and system)	\$1,337,981
8	9. Rosebud K-12 (water quality upgrades)	\$174,300
9	10. Ashland ELE (roof replacement)	\$1,013,000
10	11. Grass Range HS (roof replacement)	\$62,763
11	12. Park City ELE (roof replacement)	\$562,396
12	13. Troy ELE (boiler replacement)	\$125,400
13	14. Amsterdam ELE (fire system upgrades)	\$232,650
14	15. Roundup HS (fire system upgrades)	\$137,376
15	16. Troy HS (energy efficiency upgrades)	\$295,887
16	17. Trout Creek ELE (asbestos abatement)	\$102,600
17	18. Cascade ELE (HVAC upgrades)	\$335,544
18	19. Superior K-12 (HVAC upgrades)	\$470,403
19	20. Lavina K-12 (technology center addition)	\$1,500,000
20	21. Shields Valley ELE (boiler replacement)	\$458,311
21	22. Billings HS (HVAC upgrades)	\$1,533,212
22	23. Missoula ELE (classroom upgrades)	\$681,337
23	24. Missoula HS (classroom upgrades)	\$323,827
24	25. Plentywood K-12 (boiler replacement)	\$900,000
25	26. St. Regis K-12 (security upgrades)	\$544,943
26	27. Kalispell ELE (energy efficiency upgrades)	\$525,898
27	28. Powell County HS (lighting upgrades)	\$244,789
28	29. Stevensville ELE (HVAC upgrades)	\$865,894
29	30. Bridger K-12 (replace boiler)	\$318,000
30	31. Forsyth HS (HVAC upgrades)	\$255,410

1	32. Libby K-12 (HVAC upgrades)	\$1,069,278
2	33. Lockwood ELE (roof replacement)	\$912,524
3	34. Stevensville HS (HVAC upgrades)	\$950,051
4	35. Glasgow K-12 (security upgrades)	\$150,930
5	36. Three Forks HS (electrical system)	\$121,997
6	37. Fair-Mont-Egan ELE (facility expansion)	\$366,367
7	38. Frenchtown K-12 (energy efficiency upgrades)	\$426,408
8	39. Havre HS (HVAC upgrades)	\$525,000
9	40. Townsend K-12 (HVAC upgrades)	\$231,339
10	41. West Valley ELE (kitchen equipment)	\$350,000
11	42. Laurel ELE (HVAC upgrades)	\$632,000
12	43. Butte HS (HVAC upgrades)	\$1,190,645
13	44. North Star HS (HVAC upgrades)	\$392,615
14	45. Stanford K-12 (HVAC upgrades)	\$413,040
15	46. Lolo ELE (security upgrades)	\$340,350
16	47. Hamilton K-12 (energy efficiency upgrades)	\$953,216
17	48. Power HS (kitchen upgrades)	\$557,053
18	49. Anderson ELE (HVAC upgrades)	\$209,000
19	50. Colstrip ELE (school renovation)	\$750,000
20	51. North Star ELE (HVAC upgrades)	\$334,810
21	52. Simms HS (new Vo-Ag and science building)	\$1,142,833
22	53. Clinton ELE (energy efficiency upgrades)	\$313,784

23 (5) A grant recipient's entitlement to receive funds is dependent on the grant recipient's compliance with
 24 the conditions set forth in 90-6-812 and on the availability of funds.

25 (6) Funding for projects in subsection (4) will be provided only as long as there are sufficient funds
 26 available from the school facility and technology state special revenue account. Funding for these projects will
 27 be made available in the order that the grant recipients satisfy the conditions in 90-6-812.

28 (7) Grants to recipients listed in subsection (4) that have not completed all of the conditions described
 29 in 90-6-812 by September 30, 2016, must be reviewed by the next regular session of the legislature to determine
 30 if the authorized grant should be withdrawn.

1
2 **NEW SECTION. Section 27. Local projects and improvements bond proceeds account -- use.** (1)

3 There is an account within the state special revenue fund, as provided for in 17-2-102, called the local projects
4 and improvements bond proceeds account. The department of administration shall administer the account.

5 (2) Funds in the account are biennially appropriated as follows:

6 (a) up to \$6,311,134 to the department of natural resources and conservation for the purposes set forth
7 in [section 8], after all funds appropriated in [section 8] have been obligated;

8 (b) up to \$1,707,694 to the department of natural resources and conservation for the purposes set forth
9 in [section 9], after all funds appropriated in [section 9] have been obligated;

10 (c) up to \$10,407,568 to the department of commerce for the purposes set forth in [section 19], after all
11 funds appropriated in [section 19] have been obligated;

12 (d) up to \$45,000,000 to the department of commerce for the purposes set forth in 90-6-710(6);

13 (e) up to \$19,086,359 to the department of commerce for the purposes set forth in [section 26], after all
14 funds appropriated in [section 26] have been obligated.

15
16 **NEW SECTION. Section 28. Authorization of bonds -- conditions.** (1) The board of examiners is
17 authorized to issue and sell general obligation bonds in one or more series and from time to time for the purposes
18 described in subsections (3) and (4) in addition to the amount of general obligation bonds outstanding on January
19 1, 2015.

20 (2) The bonds in this section must be issued in accordance with the terms and in the manner required
21 by Title 17, chapter 5, part 8. The authority granted to the board of examiners by this section is in addition to any
22 other authorization to the board of examiners to issue and sell general obligation bonds.

23 (3) Up to \$103,080,000 of the proceeds from the bonds sold under this section must be deposited in the
24 capital projects account provided for in 17-5-804.

25 (4) Up to \$82,512,755 of the proceeds from the bonds sold under this section must be deposited in the
26 local projects and improvements bond proceeds account provided for in [section 27].

27
28 **NEW SECTION. Section 29. Approval of grants -- completion of biennial appropriation.** (1) The
29 legislature, pursuant to 18-2-102, approves the capital projects listed in [sections 1 through 7].

30 (2) The legislature, pursuant to 85-1-605, approves the renewable resource program grants listed in

[section 8]. The authorization of these grants completes a biennial appropriation from the natural resources projects state special revenue account established in 15-38-302.

(3) The legislature, pursuant to 90-2-1111, approves the reclamation and development grants listed in [section 9]. The authorization of these grants completes a biennial appropriation from the natural resources projects state special revenue account established in 15-38-302.

(4) The legislature, pursuant to 17-5-702, approves the renewable resource program loans listed in [sections 13 and 14]. The authorization of these loans completes a biennial appropriation from the renewable resource loan proceeds account established in 85-1-617.

(5) The legislature, pursuant to 90-6-703, approves the treasure state endowment program grants listed in [section 19]. The authorization of these grants completes a biennial appropriation from the treasure state endowment special revenue account provided for in 17-5-703.

(6) The legislature, pursuant to 90-6-715, approves the distribution of funds to the regional water authorities listed in [section 24]. 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.

(7) The legislature, pursuant to 90-6-809 and 90-6-810, approves the quality schools facility grants listed in [section 26]. The authorization of these grants completes a biennial appropriation from the school facility and technology state special revenue account provided for in 20-9-516.

NEW SECTION. Section 30. 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 31. Severability. If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

NEW SECTION. Section 32. Creation of state debt -- appropriation of coal severance tax -- bonding provisions -- contingent voidness. (1) Because [sections 15 and 28] authorize the creation of state debt, a vote of two-thirds of the members of each house of the legislature is required for enactment. If [this act] is not passed and approved by at least two-thirds of the members of each house, [sections 22 and 23] are void.

(2) The legislature, through the enactment of [sections 13 through 18] by a vote of three-fourths of the members of each house of the legislature, as required by Article IX, section 5, of the Montana constitution, pledges, dedicates, and appropriates from the coal severance tax bond fund all money necessary for the payment of principal and interest not otherwise provided for on the coal severance tax bonds authorized by [section 15] to be issued pursuant to Title 17, chapter 5, part 7, and pursuant to the provisions of [sections 13 through 18] and the general resolution for this bond program that has been adopted by the board of examiners under the authority provided in Title 17, chapter 5, part 7.

NEW SECTION. **Section 33. Effective date.** [This act] is effective on passage and approval.

NEW SECTION. **Section 34. Termination.** (1) [Section 22] terminates April 30, 2016.

(2) [Section 23] terminates June 30, 2019.

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