

## SENATE BILL NO. 367

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A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FUNDING AND AUTHORIZATION FOR CAPITAL AND  
 INFRASTRUCTURE PROJECTS STATEWIDE; CREATING ~~THE STATE TO COMMUNITY BOND ACCOUNT~~  
~~FOR GRANTS AND~~ STATE AND LOCAL INFRASTRUCTURE ACCOUNTS; PROVIDING ADDITIONAL  
 FUNDING FOR PROJECTS LISTED IN HOUSE BILLS 6, 7, AND 11; AUTHORIZING CAPITAL PROJECTS AND  
 THE CONSTRUCTION OF THE STATE VETERANS' HOME IN SOUTHWESTERN MONTANA; ~~AUTHORIZING~~  
~~THE DEPARTMENT OF COMMERCE TO PROVIDE GRANTS TO STATE AND LOCAL ENTITIES FOR~~  
~~PROJECTS AND IMPROVEMENTS; PRIORITIZING PROJECT GRANTS AND ESTABLISHING CONDITIONS~~  
~~FOR GRANTS;~~ REQUIRING LOCAL GOVERNMENTS AND SCHOOL DISTRICTS TO PROVIDE MATCHING  
 FUNDS FOR PROJECTS BASED ON A FORMULA; PROVIDING FOR OTHER MATTERS RELATING TO THE  
 AUTHORIZATIONS; AUTHORIZING THE CREATION OF STATE DEBT THROUGH THE ISSUANCE OF  
 GENERAL OBLIGATION BONDS; ~~REDUCING BOND AUTHORIZATION BASED ON ACTUAL GENERAL FUND~~  
~~REVENUES; CREATING A GRANT APPLICATION FEE FOR SCHOOL DISTRICTS; PROVIDING~~  
~~APPROPRIATIONS;~~ AMENDING SECTION 5, CHAPTER 324, LAWS OF 2011; AND PROVIDING AN  
 IMMEDIATE EFFECTIVE DATE."

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

NEW SECTION. **Section 1. Definitions.** For the purposes of [sections 1 through ~~49~~ 11], unless  
 otherwise provided, 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) "Capital project" means improvements or the planning, capital construction, environmental cleanup,  
 renovation, or major repair projects authorized in [sections ~~40 through 43~~ 3 THROUGH 6].

(3) "CPA" means the capital projects account provided for in 17-5-803 and 17-5-804.

- 1           ~~(4) "Infrastructure projects" means:~~  
 2           ~~—— (a) drinking water systems;~~  
 3           ~~—— (b) wastewater treatment;~~  
 4           ~~—— (c) sanitary sewer or storm sewer systems;~~  
 5           ~~—— (d) solid waste disposal and separation systems, including site acquisition, preparation, and monitoring;~~  
 6           ~~—— (e) bridges;~~  
 7           ~~—— (f) school districts' projects;~~  
 8           ~~—— (g) irrigation systems; or~~  
 9           ~~—— (h) conservation districts.~~  
 10          ~~—— (5) "Local government" means an incorporated city or town, a county, a consolidated local government,~~  
 11          ~~a tribal government, a county or multicounty water, sewer, irrigation, solid waste, school, or conservation district,~~  
 12          ~~or an authority as defined in 75-6-304.~~

13  
 14           ~~**NEW SECTION. Section 2. Local infrastructure accounts -- use.**~~ ~~(1) There is a state to community~~  
 15          ~~bond account in the state special revenue fund to provide grant funding to local governments for local~~  
 16          ~~infrastructure projects. The department of commerce shall administer the account.~~

17           ~~(2)(1) There is a state and local infrastructure account in the state special revenue fund to provide grants~~  
 18          ~~as authorized in House Bills 6 and 7, AND 586. The department of natural resources and conservation shall~~  
 19          ~~administer the account.~~

20           ~~(3)(2) There is a state and local infrastructure account in the state special revenue fund to provide grants~~  
 21          ~~as authorized in House Bill 11 and in [section 16] [SECTION 9]. The department of commerce shall administer the~~  
 22          ~~account.~~

23  
 24          ~~**NEW SECTION. Section 3. Authorization for local infrastructure project grants -- matching funds**~~  
 25          ~~**requirement.**~~ ~~(1) The department of commerce is authorized to make up to \$5 million in grants to local~~  
 26          ~~governments for infrastructure projects. A project that is listed in House Bills 6, 7, or 11 or in [section 16] is not~~  
 27          ~~eligible for a grant under this section. The grants authorized in this section are subject to the conditions set forth~~  
 28          ~~in [section 6].~~

29          ~~—— (2) A local government shall provide one-to-one matching funds up to the first \$750,000 of grant funding~~  
 30          ~~sought. For a grant request exceeding \$750,000, the relative participation ratio for the local government as~~

1 calculated pursuant to [section 5] is applied to the amount of the grant exceeding \$750,000.

2 ~~———— (3) Funding for projects may be provided only as long as there are sufficient funds available from the~~  
 3 ~~amount that was deposited or transferred into the state to community bond account for grants established in~~  
 4 ~~[section 2(1)]. Funding for these projects must be made available in the order that the grant recipients satisfy the~~  
 5 ~~conditions described in [section 6(1)].~~

6 ~~———— (4) If a grant recipient does not complete all of the conditions described in [section 6(1)] by September~~  
 7 ~~30, 2018, any obligation to the grant recipient is extinguished.~~

8 ~~———— (5) For a local government that is not a county, the county in which the local government is located must~~  
 9 ~~also contribute its match rate as determined in [section 5].~~

10 ~~———— (6) Each quarter, the department of commerce shall submit a written report to the legislative finance~~  
 11 ~~committee identifying grant recipients and amounts disbursed under this section. The report must be provided~~  
 12 ~~in an electronic format.~~

13  
 14 ~~———— **NEW SECTION. Section 4. Eligibility -- submission deadline -- priority -- rulemaking authority.**~~

15 ~~(1) A local government may apply to the department of commerce for local infrastructure grants under [section~~  
 16 ~~3].~~

17 ~~———— (2) All local governments shall submit grant requests and materials to the department by July 1, 2017,~~  
 18 ~~in order to be eligible for funding under [section 3].~~

19 ~~———— (3) For projects having equal ranking, the department shall give higher consideration to projects that~~  
 20 ~~present a higher percentage of matching funds.~~

21  
 22 ~~———— **NEW SECTION. Section 5. Formula for tribal or local government match rate based on relative**~~

23 ~~**participation ratio.** (1) The match rate for a tribal or local government is calculated based on its relative~~  
 24 ~~participation ratio.~~

25 ~~———— (2) (a) The relative participation ratio for a county is equal to the county's income to mill ratio divided by~~  
 26 ~~the median income to mill ratio of all counties in Montana.~~

27 ~~———— (b) The relative participation ratio for an incorporated city or town is equal to its income to mill ratio~~  
 28 ~~divided by the median income to mill ratio of all incorporated cities and towns in Montana.~~

29 ~~———— (c) The relative participation ratio for any other tribal or local government applicant is the same as for~~  
 30 ~~the county in which it is located.~~

1 ~~———(3) For a tribal or local government with a relative participation ratio of 1.0 to 1.5, the match rate is 12.5%.~~  
 2 ~~For a tribal or local government with a relative participation ratio greater than 1.5, the match rate is 25%. For a~~  
 3 ~~tribal or local government with a relative participation ratio of less than 1.0, there is no required match. For a tribal~~  
 4 ~~or local government that is not a county, the county in which the tribal or local government is located shall also~~  
 5 ~~contribute its match rate as determined above.~~

6  
 7 ~~———~~ **NEW SECTION. Section 6. Conditions of grants.** ~~(1) The disbursement of grant funds for the projects~~  
 8 ~~chosen by the department of commerce pursuant to [section 3] is subject to completion of the following~~  
 9 ~~conditions:~~

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

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

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

17 ~~———(d) The grant recipient shall execute a grant agreement with the department of commerce.~~

18 ~~———(e) When applicable, the grant recipient shall satisfactorily comply with any conditions described in the~~  
 19 ~~application (project) summaries section of the treasure state endowment program or the quality schools program~~  
 20 ~~2019 biennium reports to the 65th legislature.~~

21 ~~———(f) The grant recipient shall satisfy other specific requirements considered necessary by the department~~  
 22 ~~of commerce to accomplish the purpose of the project as evidenced by the application to the department.~~

23 ~~———(2) With the exception of bridges, all projects must adhere to the design standards required by the~~  
 24 ~~department of environmental quality. Recipients of grants under [section 3] that are not subject to the department~~  
 25 ~~of environmental quality design standards shall adhere to generally accepted industry standards, such as~~  
 26 ~~Recommended Standards for Wastewater Facilities or Recommended Standards for Water Works, published by~~  
 27 ~~the Great Lakes-Upper Mississippi River board of state and provincial public health and environmental managers,~~  
 28 ~~latest edition.~~

29 ~~———(3) When applicable, recipients of grants under [section 3] are subject to the requirements of the~~  
 30 ~~department of commerce as described in the most recent edition of the Treasure State Endowment Program~~

1 Project Administration Manual adopted by the department by administrative rule.—

2

3 ~~NEW SECTION. Section 7. Disbursement of funds.~~ (1) The department of commerce shall disburse  
4 grant funds on a reimbursement basis as grant recipients incur eligible project expenses.

5 ~~(2) If actual project expenses are lower than the projected expense of the project, the department shall~~  
6 ~~reduce the amount of grant funds to be provided to grant recipients.~~

7

8 ~~NEW SECTION. Section 8. Maximum state funding available for infrastructure -- per project -- per~~  
9 ~~county.~~ (1) The maximum amount of state funding under [sections 3 through 7] may not exceed \$2.5 million per  
10 project.

11 ~~(2) The maximum amount of grant funding under [sections 3 through 7] that may be received in a single~~  
12 ~~county, including any grant funding awarded by the 65th legislature but not including a grant provided under~~  
13 ~~[section 16], may not exceed \$5 million.—~~

14

15 ~~NEW SECTION. Section 9. Authorization of grants.~~ The amount of \$5 million is authorized from the  
16 state to community bond account to the department of commerce for the biennium beginning July 1, 2017, for  
17 grants as authorized in [sections 3 through 7].

18

19 **NEW SECTION. Section 3. Authorization of AND APPROPRIATIONS FOR capital projects.** Upon passage  
20 and approval of [this act], the following projects, pursuant to 18-2-102, are authorized, and the following amounts  
21 are ~~authorized~~ APPROPRIATED to the department of administration from the indicated funding sources. The  
22 department of administration is authorized to transfer funding and authority between fund types:

23 MONTANA UNIVERSITY SYSTEM

24 Romney Hall - MSU Bozeman

25 \$25 ~~\$22~~ million (CPA) \$3 ~~\$6~~ million (Authority only)

26 Great Falls College of Technology, ~~Nursing Addition~~ DENTAL HYGIENE FACILITY CONSTRUCTION \$5.4 million (CPA)

27 MSU-Billings Tech Building Addition \$5 million (CPA)

28 DEPARTMENT OF FISH, WILDLIFE, AND PARKS

29 MAKOSHIKA PARK WATER LINE, CAMPGROUND, AND OTHER IMPROVEMENTS

30 \$1.5 MILLION (CPA)



1  
2           **NEW SECTION. Section 4. Planning and design.** The department of administration may proceed with  
3 the planning and design of capital projects prior to the receipt of other funding sources. The department may use  
4 interentity loans in accordance with 17-2-107 to pay planning and design costs incurred before the receipt of  
5 funding from another funding source.

6  
7           **NEW SECTION. Section 5. Capital projects -- contingent funds.** (1) Except as provided in subsection  
8 (2), if a capital project is financed in whole or in part with appropriations contingent on the receipt of funding from  
9 another funding source, the department of administration may not let the project go to bid until the agency  
10 receiving funding has submitted a financial plan for approval by the director of the department of administration.

11           (2) A financial plan may not be approved by the director if:  
12           (a) the level of funding provided under the financial plan deviates substantially from the funding level  
13 provided in ~~[section 10]~~ **[SECTION 3]** for that project; or  
14           (b) the scope of the project is substantially altered or revised from the preliminary plans presented for  
15 that project in the 2019 biennium long-range building program and as presented to the 65th legislature.

16  
17           **NEW SECTION. Section 6. Review by department of environmental quality.** The department of  
18 environmental quality shall review capital projects authorized in ~~[section 10]~~ **[SECTION 3]** for potential inclusion in  
19 the state building energy conservation program under Title 90, chapter 4, part 6. When a review shows that a  
20 capital project will result in energy improvements, the project must be submitted to the energy conservation  
21 program for funding consideration. Funding provided under the energy conservation program guidelines must  
22 be used to offset or add to the authorized funding for the project, with the amount dependent on the annual utility  
23 savings resulting from the facility improvement. Agencies must be notified of potential funding after the review.

24  
25           **NEW SECTION. Section 7. Authorization of bonds -- reduction in bonding if revenues exceed**  
26 **estimates -- conditions.** (1) The board of examiners is authorized to issue and sell general obligation bonds in  
27 one or more series and from time to time for the purposes described in subsection (3) in addition to the amount  
28 of general obligation bonds outstanding on January 1, 2017.

29           (2) The bonds under this section must be issued in accordance with the terms and in the manner  
30 required by Title 17, chapter 5, part 8. The authority granted to the board of examiners by this section is in

1 addition to any other authorization to the board of examiners to issue and sell general obligation bonds.

2 (3) On [the effective date of this act], the board of examiners is authorized to issue and sell up to ~~\$88.8~~  
3 \$70.3 million in general obligation bonds and deposit the proceeds as follows:

4 (a) ~~\$35.4~~ \$33.9 million of the proceeds from the bonds sold under this section must be deposited in the  
5 capital projects account provided for in 17-5-803 and 17-5-804;

6 ~~(b) \$5 million of the proceeds from the bonds sold under this section must be deposited in the state to~~  
7 ~~community bond account for grants provided for in [section 2(1)];~~

8 ~~(c)~~ (B) ~~\$9.6~~ \$11.3 million of the proceeds from the bonds sold under this section must be deposited in the  
9 state and local infrastructure account provided for in [section 2(2) 2(1)] and \$8.2 ~~amount~~ MILLION is ~~authorized~~  
10 APPROPRIATED from the account, for the biennium beginning July 1, 2017, to the department of natural resources  
11 and conservation for projects listed in House Bill 6 and \$1.4 ~~amount~~ MILLION is ~~authorized~~ APPROPRIATED from the  
12 account, for the biennium beginning July 1, 2017, to the department of natural resources and conservation for  
13 projects listed in House Bill 7; and

14 ~~(d)~~ (C) ~~\$38.8~~ \$25.1 million of the proceeds from the bonds sold under this section must be deposited in  
15 the state and local infrastructure account provided for in [section 2(3) 2(2)]. A total of \$8.8 million is ~~authorized~~  
16 APPROPRIATED, for the biennium beginning July 1, 2017, from the account to the department of commerce for  
17 projects listed in House Bill 11, and ~~\$30~~ \$16.3 million is ~~authorized~~ APPROPRIATED from the account, for the  
18 biennium beginning July 1, 2017, to the department of commerce for projects listed in [section ~~46~~ 9].

19 ~~(4) If actual general fund revenues exceed the revenue estimate established pursuant to 5-5-227 for the~~  
20 ~~biennium beginning July 1, 2017, for every \$10 million in excess revenues over \$30 million, the amount of~~  
21 ~~bonding authorized in subsection (3) is reduced by \$5 million and the state treasurer shall transfer, by August 15~~  
22 ~~following the end of a fiscal year in the biennium where actual revenues exceed the revenue estimate by \$40~~  
23 ~~million or more, \$5 million from the general fund to the account listed in subsection (3) into which the bond~~  
24 ~~proceeds were to be deposited.~~

25 ~~(5)~~ (4) Except for the authorization to bond the capital projects listed in subsection (3)(a), any outstanding  
26 authorization to bond in subsection (3) expires June 30, 2020.

27  
28 **NEW SECTION. Section 8. Authorization of bonds -- state veterans' home in southwestern**  
29 **Montana.** (1) Upon passage and approval of [this act], in addition to the amount of general obligation bonds  
30 outstanding on January 1, 2017, and authorized under [section ~~44(3)~~ 7(3)], the board of examiners is authorized

1 to issue and sell up to \$10 million in general obligation bonds in one or more series in accordance with Title 17,  
 2 chapter 5, part 8, for the purpose of funding the construction and associated costs of the state veterans' home  
 3 in southwestern Montana.

4 (2) The proceeds of the bonds authorized in subsection (1) must be deposited into the capital projects  
 5 account and ~~authorized~~ APPROPRIATED to the department of administration to be used for the construction of the  
 6 state veterans' home in southwestern Montana.

7 (3) If federal grant funds for the construction of the veterans' home are received prior to the bonds being  
 8 issued, the authority to issue bonds as provided for in subsection (1) is extinguished in an amount equal to the  
 9 federal grants received.

10 (4) If federal grant funds for the construction of the veterans' home are received after the bonds are  
 11 issued, the federal grant funds must be deposited and applied to debt service obligations associated with the  
 12 construction of the state veterans' home in southwestern Montana.

13

14 NEW SECTION. **Section 9. Authorization for quality schools facility grant program.** (1) The  
 15 department of commerce is authorized to make up to ~~\$30~~ \$16.3 million in quality schools facility program grants  
 16 from the state and local infrastructure account established in [~~section 2(2)~~ 2(1)] as authorized by this section.

17 (2) The funds in subsection (1) must be used by the department of commerce to make grants to the  
 18 public school districts listed in subsection (3) for the described purposes and in amounts not to exceed the  
 19 amounts set out in subsection (3). The authorization is subject to the conditions set forth in 90-6-812 and  
 20 described in the quality schools facility grant program 2019 biennium report to the 65th legislature. The  
 21 department shall commit funds to projects listed in subsection (3), up to the amounts authorized, based on the  
 22 manner of disbursement set forth in subsections (4) and (5), until the funds authorized to finance grants in  
 23 subsection (1) are expended.

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

Applicant/Project	Grant Amount
27 1. St. Ignatius K-12 (building repair)	\$680,511
28 2. Grass Range ELE (asbestos abatement)	\$55,631
29 3. Miles City ELE (fire system upgrades)	\$352,834
30 4. Libby K-12 (heating and ventilation repair)	\$1,075,000



1	5. Custer County HS (drainage and roof upgrades)	\$953,576
2	6. Grass Range HS (fire system upgrades)	\$77,183
3	7. Wolf Point HS (storm drain system upgrades)	\$918,600
4	8. Polson ELE (replace boiler and system)	\$1,224,679
5	9. Geraldine K-12 (replace unsafe seating)	\$75,000
6	10. Arlee ELE (replace boiler)	\$694,157
7	11. Livingston ELE (energy and infrastructure improvement)	\$665,000
8	12. Rosebud K-12 (water system improvements)	\$174,300
9	13. Park City ELE (replace roof)	\$562,396
10	14. Cascade ELE (heating system repairs)	\$421,120
11	15. Noxon ELE (heating and ventilation replacement and deferred maintenance)	\$490,011
12	16. Ashland ELE (replace roof)	\$1,013,000
13	17. Troy ELE (heating and ventilation upgrades)	\$395,000
14	18. Troy HS (heating and ventilation upgrades)	\$395,000
15	19. Lodge Grass HS (electrical system improvements)	\$459,000
16	20. Billings HS (heating, ventilation, and lighting repairs and replacement)	\$1,558,988
17	21. Trout Creek ELE (foundation and flooring repairs)	\$102,600
18	22. Superior K-12 (heating and ventilation upgrades)	\$526,851
19	23. Lockwood ELE (repair and replace roofing)	\$542,003
20	24. Centerville ELE (security upgrades)	\$770,603
21	25. Kalispell ELE (infrastructure and energy upgrades)	\$483,680
22	26. Shields Valley ELE (replace boiler)	\$458,311
23	27. Lavina K-12 (replace boiler)	\$365,126
24	28. Belt ELE (ventilation system upgrades)	\$531,550
25	29. St. Regis K-12 (safety and security improvements)	\$538,196
26	30. Stevensville ELE (replace boilers and system upgrades)	\$879,801
27	31. Havre HS (ventilation system upgrades)	\$525,000
28	32. Anaconda HS (replace boilers and system upgrades)	\$1,800,738
29	33. Forsyth HS (heating and ventilation upgrades)	\$263,073
30	34. Stevensville HS (replace boilers and system upgrades)	\$1,064,057

1	35. Sun River Valley (Simms HS) (addition and remodel)	\$898,262
2	36. Kalispell HS (infrastructure and energy upgrades)	\$1,574,235
3	37. Drummond HS (retaining wall improvements)	\$193,600
4	38. Rocky Boy HS (replace air handler)	\$763,620
5	39. Frenchtown K-12 (window replacement and improvements)	\$426,408
6	40. Laurel ELE (heating and ventilation upgrades)	\$632,000
7	41. Stanford K-12 (ventilation system upgrades)	\$413,040
8	42. Hamilton K-12 (building envelope improvements)	\$833,216
9	43. Hays Lodge Pole K-12 (life safety, health compliance, electrical, and mechanical improvements)	
10		\$4,025,500
11	44. Roundup HS (replace boiler)	\$503,500
12	45. Wibaux K-12 (demolish and construct new building)	\$3,729,823
13	46. Power HS (kitchen and cafeteria remodel)	\$600,650
14	47. Butte ELE (ventilation system upgrades)	\$374,751
15	48. Fort Benton HS (technology upgrades)	\$67,472
16	49. Clinton ELE (energy conservation improvements)	\$313,784
17	50. Terry K-12 (deferred maintenance and improvements to schools)	\$120,000

18 (4) The maximum amount of a grant for a project under this section is \$1.25 million.

19 (5) In order to receive a grant for a project, a school must provide matching funds for the project. The  
 20 amount of matching funds required is based on the number of points awarded by the department of commerce  
 21 to the project application in the quality schools facility grant program 2019 biennium report to the 65th legislature  
 22 as follows:

23 (a) for an application awarded 350 points or more, the match rate is 10%;

24 (b) for an application awarded 300 points but no more than 350 points, the match rate is 15%; and

25 (c) for an application awarded less than 300 points the match rate is 20%.

26 (6) A grant recipient's entitlement to receive funds is dependent on the grant recipient's compliance with  
 27 the conditions set forth in 90-6-812, on the provision of matching funds pursuant to subsection (5), and on the  
 28 availability of funds.

29 ~~(7) If a grant recipient listed in subsection (3) has not completed all of the conditions described in~~  
 30 ~~subsection (6) by September 30, 2018, the grant must be reviewed by the legislature to determine if the~~

1 ~~authorized grant should be withdrawn.~~

2 (7) IF A GRANT RECIPIENT HAS NOT COMPLETED THE CONDITIONS DESCRIBED IN SUBSECTION (6) BY SEPTEMBER  
 3 30, 2017, OR HAS NOTIFIED THE DEPARTMENT OF COMMERCE IN WRITING THAT IT WILL NOT BE ABLE TO COMPLETE THE  
 4 CONDITIONS BY THAT DATE, THE DEPARTMENT SHALL WITHDRAW THE GRANT FROM THAT RECIPIENT AND USE THOSE  
 5 FUNDS TO AWARD GRANTS AS PROVIDED IN SUBSECTION (8).

6 (8) (A) A SCHOOL DISTRICT THAT HAS NOT RECEIVED FUNDING UNDER SUBSECTION (3) MAY APPLY TO THE  
 7 DEPARTMENT FOR A QUALITY SCHOOLS FACILITY GRANT.

8 (B) IN ORDER TO BE ELIGIBLE FOR FUNDING UNDER THIS SUBSECTION, THE APPLICANT MUST:

9 (I) SUBMIT AN APPLICATION TO THE DEPARTMENT NO LATER THAN JULY 1, 2017;

10 (II) PROVIDE 20% IN MATCHING FUNDS; AND

11 (III) CONFIRM THAT IT WILL BE ABLE TO COMPLETE THE CONDITIONS DESCRIBED IN SUBSECTION (6) BY SEPTEMBER  
 12 30, 2018.

13  
 14 NEW SECTION. Section 10. Approval of grants. The legislature, pursuant to 90-6-809 and 90-6-810,  
 15 approves the quality schools facility grants listed in [section 46 9].

16  
 17 NEW SECTION. Section 11. Condition of grants -- disbursement of funds. The disbursement of  
 18 grant funds for the projects specified in [section 46(3) 9(3)] is subject to the conditions set forth in 90-6-812.

19  
 20 ~~NEW SECTION. Section 19. Grant application fee.~~ A school district who receives funding under  
 21 [section 16] must pay to the department of commerce a \$5 administrative fee at the time it notifies the department  
 22 that it has complied with the conditions set forth in 90-6-812.

23  
 24 **Section 12.** Section 5, Chapter 324, Laws of 2011, is amended to read:

25 **"Section 5. Capital project appropriations.** (1) There is appropriated ~~\$4,812,500~~ up to \$5,293,750 from  
 26 state special revenue account established in section 2, Chapter 461, Laws of 2009, to the department of  
 27 administration for the southwestern Montana veterans' home project.

28 (2) There is appropriated ~~\$8,937,500~~ \$10,000,000 from the federal special revenue fund to the  
 29 department of administration for the southwestern Montana veterans' home project.

30 (3) The department of administration is authorized to transfer the appropriations in subsections (1) and

1 (2) among the necessary fund types for this project."

2

3 **NEW SECTION. Section 13. Notification to tribal governments.** The secretary of state shall send  
4 a copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell  
5 Chippewa tribe.

6

7 **COORDINATION SECTION. Section 14. Coordination instruction.** ~~(1) If [this act] is passed and~~  
8 ~~approved and Senate Bill 261 is not passed and approved, then [section 14(4) of this act] must be replaced with~~  
9 ~~the following language:~~

10 ~~———— "(4) If actual general fund revenues exceed the revenue estimate established pursuant to 5-5-227 for~~  
11 ~~the biennium beginning July 1, 2017, all excess revenues over the revenue estimate are transferred, by August~~  
12 ~~15 following the end of a fiscal year in the biennium where actual revenues exceed the revenue estimate, from~~  
13 ~~the general fund to the account listed in subsection (3) into which the bond proceeds were to be deposited and~~  
14 ~~the amount of bonding authorized in subsection (3) is reduced by the amount of the transfer effective on the date~~  
15 ~~of the transfer."~~

16 ~~(2)(1) If House Bill 6 is not passed and approved, then the total amount of bonding authorized in [section~~  
17 ~~14(3) of this act] [SECTION 7(3) OF THIS ACT] is reduced by \$8.2 million and [section 14(3)(b) of this act] [SECTION~~  
18 ~~7(3)(B) OF THIS ACT] must be replaced with the following language:~~

19 ~~"(b) \$1.4 million of the proceeds from the bonds sold under this section must be deposited in the state~~  
20 ~~and local infrastructure account provided for in [section 2(2)] [SECTION 2(1)] and this amount is authorized~~  
21 ~~APPROPRIATED from the account, for the biennium beginning July 1, 2017, to the department of natural resources~~  
22 ~~and conservation for projects listed in House Bill 7."~~

23 ~~(3)(2) If House Bill 7 is not passed and approved, then the total amount of bonding authorized in [section~~  
24 ~~14(3) of this act] [SECTION 7(3) OF THIS ACT] is reduced by \$1.4 million and [section 14(3)(b) of this act] [SECTION~~  
25 ~~7(3)(B) OF THIS ACT] must be replaced with the following language:~~

26 ~~"(b) \$8.2 million of the proceeds from the bonds sold under this section must be deposited in the state~~  
27 ~~and local infrastructure account provided for in [section 2(2)] [SECTION 2(1)] and this amount is authorized~~  
28 ~~APPROPRIATED from the account, for the biennium beginning July 1, 2017, to the department of natural resources~~  
29 ~~and conservation for projects listed in House Bill 6."~~

30 ~~(4)(3) If neither House Bill 6 nor House Bill 7 is passed and approved, then the total amount of bonding~~

1 authorized in ~~[section 14(3) of this act]~~ [SECTION 7(3) OF THIS ACT] is reduced by \$9.6 million and ~~[section 14(3)(b)~~  
 2 ~~of this act]~~ must be stricken.

3 (4) (A) [SECTION 7(3)(B) OF THIS ACT] INCLUDES AN ALLOCATION OF \$1.7 MILLION OF BOND PROCEEDS FOR THE  
 4 PURPOSES OF HOUSE BILL NO. 586, A GRANT TO THE CITY OF LAUREL FOR A WATER INTAKE PROJECT.

5 (B) IF HOUSE BILL NO. 586 IS NOT PASSED AND APPROVED APPROPRIATING FUNDS FROM THE STATE AND LOCAL  
 6 INFRASTRUCTURE ACCOUNT ADMINISTERED BY THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR THE  
 7 PURPOSE OF A GRANT TO THE CITY OF LAUREL FOR A WATER INTAKE PROJECT, THE TOTAL AMOUNT OF BONDING  
 8 AUTHORIZED IN [SECTION 7(3) OF THIS ACT] MUST BE REDUCED BY \$1.7 MILLION AND THE AMOUNT OF BOND PROCEEDS  
 9 DEPOSITED IN THE STATE AND LOCAL INFRASTRUCTURE ACCOUNT IN [SECTION 7(3)(B) OF THIS ACT] MUST BE REDUCED  
 10 BY \$1.7 MILLION.

11 (5) If House Bill 11 is not passed and approved, the total amount of bonding authorized in ~~[section 14(3)~~  
 12 ~~of this act]~~ [SECTION 7(3) OF THIS ACT] is reduced by \$8.8 million and ~~[section 14(3)(c) of this act]~~ [SECTION 7(3)(C)  
 13 OF THIS ACT] must be replaced with the following language:

14 "(c) ~~\$30~~ \$16.3 million of the proceeds from the bonds sold under this section must be deposited in the  
 15 state and local infrastructure account provided for in ~~[section 2(3)]~~ [SECTION 2(2)] and this amount is ~~authorized~~  
 16 APPROPRIATED from the account, for the biennium beginning July 1, 2017, to the department of commerce for the  
 17 quality schools facility grant program grants as set forth in ~~[section 46 9]~~."

18  
 19 NEW SECTION. Section 15. Severability. If a part of [this act] is invalid, all valid parts that are  
 20 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,  
 21 the part remains in effect in all valid applications that are severable from the invalid applications.

22  
 23 NEW SECTION. Section 16. Creation of state debt -- two-thirds vote required. Because ~~[sections~~  
 24 ~~14 and 15]~~ [SECTIONS 7 AND 8] authorize the creation of state debt, Article VIII, section 8, of the Montana  
 25 constitution requires a vote of two-thirds of the members of each house of the legislature for passage.

26  
 27 NEW SECTION. Section 17. Effective date. [This act] is effective on passage and approval.

28 - END -