

HOUSE BILL NO. 14

INTRODUCED BY R. LYNCH

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

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5 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FUNDING AND AUTHORIZATION FOR CAPITAL AND
6 INFRASTRUCTURE PROJECTS STATEWIDE; CREATING THE DELIVERING LOCAL ASSISTANCE GRANT
7 PROGRAM; CREATING RULEMAKING AUTHORITY; CREATING THE DELIVERING LOCAL ASSISTANCE
8 ACCOUNT FOR GRANTS AND THE STATE AND LOCAL INFRASTRUCTURE ACCOUNT; APPROPRIATING
9 MONEY TO THE DEPARTMENT OF ADMINISTRATION FOR CAPITAL PROJECTS; APPROPRIATING
10 MONEY TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR GRANTS UNDER
11 THE RENEWABLE RESOURCE GRANT AND LOAN PROGRAM; APPROPRIATING MONEY TO THE
12 DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR GRANTS UNDER THE
13 RECLAMATION AND DEVELOPMENT GRANTS PROGRAM; APPROPRIATING MONEY TO THE
14 DEPARTMENT OF COMMERCE FOR AUTHORIZED PROJECTS FROM THE 2019 BIENNIUM DUE TO A
15 FUNDS TRANSFER FROM THE TREASURE STATE ENDOWMENT SPECIAL REVENUE ACCOUNT TO THE
16 GENERAL FUND DURING THE NOVEMBER 2017 SPECIAL SESSION; APPROPRIATING MONEY TO THE
17 DEPARTMENT OF COMMERCE FOR FINANCIAL ASSISTANCE TO LOCAL GOVERNMENT
18 INFRASTRUCTURE PROJECTS THROUGH THE TREASURE STATE ENDOWMENT PROGRAM;
19 AUTHORIZING PROJECT GRANT AMOUNTS; PLACING CONDITIONS UPON GRANTS AND FUNDS;
20 REAUTHORIZING PROJECT GRANTS; APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE
21 FOR EMERGENCY AND PLANNING INFRASTRUCTURE GRANTS; AUTHORIZING THE CREATION OF
22 STATE DEBT THROUGH THE ISSUANCE OF GENERAL OBLIGATION BONDS; AUTHORIZING TRANSFER
23 TO THE GENERAL FUND; CLARIFYING THAT CERTAIN ACCOUNTS ARE SUBJECT TO LEGISLATIVE FUND
24 TRANSFERS; AMENDING SECTION 90-6-701, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE
25 AND A TERMINATION DATE."

26
27 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

28
29 NEW SECTION. **Section 1. Definitions.** For the purposes of [sections 1 through 12], unless otherwise
30 provided, the following definitions apply:



1 (1) "Capital project" means improvements or the planning, capital construction, environmental cleanup,
2 renovation, or major repair projects authorized in [sections 9 through 12].

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

4 (3) "Infrastructure projects" means:

5 (a) drinking water systems;

6 (b) wastewater treatment;

7 (c) sanitary sewer or storm sewer systems;

8 (d) solid waste disposal and separation systems, including site acquisition, preparation, and monitoring;

9 (e) bridges;

10 (f) broadband;

11 (g) facilities for government administration;

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

13 (i) school district infrastructure projects related to life safety issues.

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

17
18 **NEW SECTION. Section 2. Local infrastructure accounts -- use.** (1) There is within the state special
19 revenue fund provided for in 17-2-102 an account called the delivering local assistance account for grants to
20 provide grant funding to local governments for local infrastructure projects. The department of commerce shall
21 administer the account.

22 (2) There is within the state special revenue fund provided for in 17-2-102 an account called the state
23 and local infrastructure account to provide grants as authorized in [sections 14, 15, 22, and 23]. The department
24 of commerce shall administer the account.

25
26 **NEW SECTION. Section 3. Delivering local assistance grant program created -- authorization for**
27 **local infrastructure project grants.** (1) The department of commerce is authorized to make up to \$44,188,365
28 in grants to local governments for infrastructure projects. The grants authorized in this section are subject to the
29 conditions set forth in [section 5].

30 (2) Except as provided in subsection (3), beginning June 1, 2019, the department of commerce must

1 receive proposals from local governments impacted by growth or decline associated with coal, oil, or gas
2 development for community planning and for drinking water, wastewater treatment, or public safety infrastructure
3 projects for an existing or future population.

4 (3) All rural local governments are eligible for broadband installation infrastructure projects. Rural means
5 the total population of the incorporated city, town, or consolidated local government as reported in the latest
6 decennial federal census is less than 20,000 persons.

7 (4) Funding for projects may be provided only as long as there are sufficient funds available from the
8 amount that was deposited or transferred into the delivering local assistance account for grants established in
9 [section 2(1)]. Funding for these projects must be made available in the order that the grant recipients satisfy the
10 conditions described in [section 5(1)].

11 (5) If a grant recipient does not complete all of the conditions described in [section 5(1)] by September
12 30, 2020, any obligation to the grant recipient is extinguished.

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) For a project that was submitted for approval to the 66th legislature for funding from the treasure state
18 endowment program but did not receive legislative approval for funding from the program, the amount of a grant
19 for the project under [this act] may not exceed the amount of funding recommended for the project as described
20 in the treasure state endowment program 2021 biennium report to the 66th legislature.

21 (3) All local governments shall submit grant requests and materials to the department by September 30,
22 2019, in order to be eligible for funding under [section 3].

23 (4) The department is authorized to adopt rules necessary to implement [this act].
24

25 **NEW SECTION. Section 5. Condition of grants -- disbursement of funds.** (1) The disbursement of
26 grant funds for the projects chosen by the department of commerce pursuant to [section 3] is subject to
27 completion of the following conditions:

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

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

1 (c) The grant recipient must be in compliance with the auditing and reporting requirements provided in
2 2-7-503 and have established a financial accounting system that the department can reasonably ensure conforms
3 to generally accepted accounting principles. Tribal governments shall comply with auditing and reporting
4 requirements provided for in 2 CFR part 200.

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

6 (e) The grant recipient shall satisfactorily comply with any conditions described in the application (project)
7 summaries section of the treasure state endowment program 2021 biennium report to the 66th legislature.

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

10 (2) With the exception of bridges, all projects must adhere to the design standards required by the
11 department of environmental quality. Recipients of grants under [section 3] that are not subject to the department
12 of environmental quality design standards shall adhere to generally accepted industry standards such as
13 Recommended Standards for Wastewater Facilities or Recommended Standards for Water Works, published by
14 the Great Lakes-Upper Mississippi River Board of State and Provincial Public Health and Environmental
15 Managers, latest edition.

16 (3) When applicable, recipients of grants under [section 3] are subject to the requirements of the
17 department of commerce as described in the most recent edition of the Treasure State Endowment Program
18 Project Administration Manual adopted by the department by administrative rule.

19
20 **NEW SECTION. Section 6. Disbursement of funds.** (1) The department of commerce shall disburse
21 grant funds on a reimbursement basis as grant recipients incur eligible project expenses.

22 (2) If actual project expenses are lower than the projected expense of the project, the department must
23 reduce the amount of grant funds to be provided to grant recipients.

24
25 **NEW SECTION. Section 7. Maximum state funding available for infrastructure -- per project -- per**
26 **county.** The maximum amount of state funding under [sections 3 through 7] may not exceed \$1 million per
27 project; and the maximum amount of grant funding under [sections 3 through 7] that may be received in a single
28 county may not exceed \$2 million.

29
30 **NEW SECTION. Section 8. Appropriations of grants.** There is appropriated to the department of

1 commerce \$44,188,365 for the biennium beginning July 1, 2019, from the delivering local assistance account for
 2 grants as authorized in [sections 3 through 7].

3
 4 **NEW SECTION. Section 9. Authorization of and appropriations for capital projects.** Upon passage
 5 and approval of [this act], the following projects, pursuant to 18-2-102, are authorized and approved and funds
 6 are appropriated to the department of administration from the indicated funding sources. The department of
 7 administration is authorized to transfer funding and authority between fund types. Funds not requiring legislative
 8 appropriation are included for the purposes of authorization only:

9 MONTANA UNIVERSITY SYSTEM

10 Romney Hall - MSU Bozeman	\$32 million (CPA)
11 Green House Laboratories - MAES	\$2 million (CPA)
12 New Dental Clinic, Assisting and Hygiene Lab - MSUGF	\$4.25 million (CPA)

13 DEPARTMENT OF ADMINISTRATION

14 Montana Heritage Center - Helena	\$32.12 million (CPA)
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15 DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

16 Montana State Hospital - Sewer Replacement	\$4.5 million (CPA)
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 18 **NEW SECTION. Section 10. Planning and design.** The department of administration may proceed
 19 with the planning and design of capital projects prior to the receipt of other funding sources. The department may
 20 use interentity loans in accordance with 17-2-107 to pay planning and design costs incurred before the receipt
 21 of funding from another funding source.

22
 23 **NEW SECTION. Section 11. Capital projects -- contingent funds -- legislative consent.** (1) Except
 24 as provided in subsection (2), if a capital project is financed in whole or in part with appropriations contingent on
 25 the receipt of funding from another funding source, the department of administration may not let the project go
 26 to bid until the agency receiving funding has submitted a financial plan for approval by the director of the
 27 department of administration.

28 (2) A financial plan may not be approved by the director if:

29 (a) the level of funding provided under the financial plan deviates substantially from the funding level
 30 provided in [section 9] for that project; or

1 (b) the scope of the project is substantially altered or revised from the preliminary plans presented for that
2 project in the 2021 biennium long-range building program and as presented to the 66th legislature.

3 (3) The appropriations authorized in [section 9] constitute legislative consent for the capital projects
4 contained in [section 9] within the meaning of 18-2-102.

5
6 **NEW SECTION. Section 12. Review by department of environmental quality.** The department of
7 environmental quality shall review capital projects authorized in [section 9] for potential inclusion in the state
8 building energy conservation program under Title 90, chapter 4, part 6. When a review shows that a capital
9 project will result in energy improvements, the project must be submitted to the energy conservation program for
10 funding consideration. Funding provided under the energy conservation program guidelines must be used to
11 offset or add to the authorized funding for the project, with the amount dependent on the annual utility savings
12 resulting from the facility improvement. Agencies must be notified of potential funding after the review.

13
14 **NEW SECTION. Section 13. Authorization of bonds -- conditions.** (1) The board of examiners is
15 authorized to issue and sell general obligation bonds in one or more series and from time to time for the purposes
16 described in subsection (3) in addition to the amount of general obligation bonds outstanding on January 1, 2019.

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

20 (3) On [the effective date of this act], the board of examiners is authorized to issue and sell general
21 obligation bonds and deposit the proceeds as follows:

22 (a) \$74,870,000 of the proceeds from the bonds sold under this section must be deposited in the capital
23 projects account provided for in 17-5-803 and 17-5-804; and

24 (b) \$44,188,365 of the proceeds from the bonds sold under this section must be deposited in the
25 delivering local assistance account for grants provided for in [section 2(1)].

26 (c) \$40,941,635 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)].

28
29 **NEW SECTION. Section 14. Appropriation for 2019 biennium unfunded authorized treasure state**
30 **endowment program continuation grants.** (1) There is appropriated to the department of commerce

1 \$7,471,390 for the biennium beginning July 1, 2019, from the state and local infrastructure account established
 2 in [section 2(2)] to finance treasure state endowment program grants authorized by subsection (2).

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

4 Infrastructure Applicant (project type)	Grant Amount
5 1. Stanford, Town of (water)	\$211,362
6 2. Hot Springs, Town of (water)	\$478,632
7 3. Sheridan, Town of (water)	\$625,000
8 4. Simms County Sewer District (wastewater)	\$750,000
9 5. Circle, Town of (water)	\$625,000
10 6. Lockwood Water and Sewer District (water)	\$625,000
11 7. Harlowton, City of (water)	\$750,000
12 8. Cascade, Town of (wastewater)	\$500,000
13 9. Shelby, City of (water)	\$750,000
14 10. Dutton, Town of (water)	\$500,000
15 11. Butte-Silver Bow (wastewater)	\$349,286
16 12. Lewis and Clark County (bridge)	\$309,985
17 13. Judith Basin County (bridge)	\$247,125
18 14. Powell County (bridge)	\$750,000

19 (3) Funding for projects listed in subsection (2) will be provided up to the amount of the appropriation in
 20 subsection (1) as projects meet the conditions provided in [section 17(1)].

21 (4) If sufficient funds are available, this section constitutes a valid obligation of funds to the grant
 22 recipients listed in subsection (2) for the purpose of encumbering the state and local infrastructure account funds
 23 for the biennium beginning July 1, 2019, pursuant to 17-7-302. However, a grant recipient's entitlement to receive
 24 funds is dependent on the grant recipient's compliance with conditions described in [section 17(1)] and on the
 25 availability of funds. Any projects listed in subsection (2) that have not completed the conditions described in
 26 [section 17(1)] by September 30, 2020, must be reviewed by the next regular session of the legislature to
 27 determine if the authorized grant should be withdrawn.

28 (5) The funds appropriated in this section must be used by the department of commerce to make grants
 29 to the local governments listed in subsection (2) for the described purposes and in amounts not to exceed the
 30 amounts set out in subsection (2). The grants authorized in this section are subject to the conditions set forth in

1 [section 17(1)] and described in the treasure state endowment program 2021 biennium report to the 66th
 2 legislature. The department of commerce must commit funds to projects listed in subsection (2), up to the
 3 amounts authorized, based on the manner of and subject to the limitations on disbursement set forth in [section
 4 17]. If the funds in the state and local infrastructure account are insufficient to fund all projects authorized [in this
 5 act], the projects in [section 14(2)] must be funded before any projects listed in [section 15(2) and 15(5)].

6 (6) The department of commerce will disburse grant funds on a reimbursement basis as grant recipients
 7 incur eligible project expenses. Eligible project expenses include eligible project expenses incurred beginning on
 8 May 8, 2017.

9 (7) Grant recipients listed under subsection (2) may use local dollars or other non-treasure state
 10 endowment program funds expended during the biennium beginning July 1, 2017 as matching funds for their
 11 project authorized in subsection (2) in addition to currently acceptable forms of match.

12 (8) Grant recipients must complete all of the conditions described in [section 17(1)] by September 30,
 13 2022, or any obligation to the grant recipient is void.

14
 15 **NEW SECTION. Section 15. Appropriation for treasure state endowment program grants.** (1)

16 There is appropriated to the department of commerce \$22,285,929 for the biennium beginning July 1, 2019, from
 17 the state and local infrastructure account established in [section 2(2)] to finance treasure state endowment
 18 program grants authorized by subsection (2).

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

Infrastructure Applicant (project type)	Grant Amount
21 1. Libby, City of (water)	\$750,000
22 2. Clancy Water & Sewer District (water)	\$750,000
23 3. Wibaux, Town of (wastewater)	\$750,000
24 4. Lockwood Water & Sewer District (water)	\$500,000
25 5. Geraldine, Town of (wastewater)	\$500,000
26 6. Dodson, Town of (wastewater)	\$362,150
27 7. Hysham, Town of (wastewater)	\$375,000
28 8. Wilsall Water District (water)	\$500,000
29 9. Whitehall, Town of (water)	\$625,000
30 10. Power - Teton County Water & Sewer District (water)	\$625,000

1	11. Plains, Town of (wastewater)	\$500,000
2	12. Broadview, Town of (water)	\$500,000
3	13. Thompson Falls, City of (wastewater)	\$750,000
4	14. Coram County Water & Sewer District (water)	\$500,000
5	15. Chinook, City of (water)	\$500,000
6	16. Cut Bank, City of (water)	\$750,000
7	17. Roundup, City of (water)	\$750,000
8	18. Darby, Town of (wastewater)	\$500,000
9	19. Scobey, City of (water)	\$500,000
10	20. Circle, Town of (water)	\$500,000
11	21. Seeley Lake Sewer District (wastewater)	\$750,000
12	22. Polson, City of (wastewater)	\$750,000
13	23. Black Eagle-Cascade County Water & Sewer District (water & wastewater)	\$645,000
14	24. Hardin, City of (wastewater)	\$625,000
15	25. Harlowton, City of (wastewater)	\$625,000
16	26. Dillon, City of (water)	\$500,000
17	27. Bigfork County Water & Sewer District (wastewater)	\$500,000
18	28. Vaughn Cascade County Water & Sewer District (water)	\$625,000
19	29. East Helena, City of (water)	\$500,000
20	30. Whitefish, City of (wastewater)	\$625,000
21	31. Red Lodge, City of (storm water)	\$500,000
22	32. Cascade, Town of (water)	\$500,000
23	33. Plentywood, City of (wastewater)	\$750,000
24	34. Sun Prairie Village County Water & Sewer District (wastewater)	\$500,000
25	35. North Havre County Water District (water)	\$430,000
26	36. Conrad, City of (water)	\$398,779
27	37. Sun Prairie County Water District (water)	\$275,000
28	38. Winnett, Town of (wastewater)	\$500,000
29	39. Baker, City of (water)	\$600,000
30	40. White Sulphur Springs, City of (water)	\$200,000

1 (3) Funding for the projects numbered 1 through 40 in subsection (2) will be provided up to the amount
2 of the appropriation in subsection (1) as projects meet the conditions provided in [section 17(1)].

3 (4) There is appropriated to the department of commerce \$4,962,316 for the biennium beginning July 1,
4 2019, from the state and local infrastructure account established in [section 2(2)] to finance treasure state
5 endowment program grants authorized by subsection (5) as projects meet the conditions provided in [section
6 17(1)].

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

8 Bridge Applicant	Grant Amount
9 1. Musselshell County	\$589,138
10 2. Lewis & Clark County	\$558,806
11 3. Beaverhead County	\$500,000
12 4. Custer County	\$357,819
13 5. Madison County	\$591,768
14 6. Chouteau County	\$279,753
15 7. Fergus County	\$262,839
16 8. Sweet Grass County	\$591,976
17 9. Jefferson County	\$207,903
18 10. Big Horn County	\$272,314
19 11. Gallatin County	\$750,000

20 (6) If sufficient funds are available, this section constitutes a valid obligation of funds to the grant
21 recipients listed in subsections (2) and (5) for purposes of encumbering state and local infrastructure account
22 funds for the biennium beginning July 1, 2019, pursuant to 17-7-302. However, a grant recipient's entitlement to
23 receive funds is dependent on the grant recipient's compliance with the conditions described in [section 17(1)]
24 and on the availability of funds.

25 (7) Funding for projects in subsections (2) and (5) will be provided only as long as there are sufficient
26 funds available from the amount that was deposited into the state and local infrastructure account during the
27 biennium beginning July 1, 2019. Funding for these projects will be made available in the order that the grant
28 recipients satisfy the conditions described in [section 17(1)]. However, any of the projects listed in subsections
29 (2) and (5) that have not completed the conditions described in [section 17(1)] by September 30, 2020, must be
30 reviewed by the next regular session of the legislature to determine if the authorized grant should be withdrawn.

1 (8) The funds appropriated in this section must be used by the department to make grants to the
2 governmental entities listed in subsections (2) and (5) for the described purposes and in amounts not to exceed
3 the amounts set out in subsections (2) and (5). The grants authorized in this section are subject to the conditions
4 set forth in [section 17(1)] and described in the treasure state endowment program 2021 biennium report to the
5 66th legislature. The legislature, pursuant to 90-6-710, authorizes the grants for the projects listed in subsections
6 (2) and (5). The department shall commit funds to projects listed in subsections (2) and (5), up to the amounts
7 authorized, based on the manner of disbursement set forth in [section 17] until the funds deposited into the state
8 and local infrastructure account during the biennium beginning July 1, 2019, are expended.

9 (9) Grant recipients shall complete all of the conditions described in [section 17(1)] by September 30,
10 2022, or any obligation to the grant recipient will cease.

11
12 **NEW SECTION. Section 16. Approval of grants -- completion of biennial appropriation.** (1) The
13 legislature, pursuant to 90-6-701, authorizes grants for the projects identified in [section 14(2)], the projects
14 identified in [sections 15(2) and 15(5)], the emergency infrastructure grants in [section 19], and for the
15 infrastructure planning grants in [section 20].

16 (2) The authorization of these grants completes a biennial appropriation from the state and local
17 infrastructure account established in [section 2(2)].

18 (3) Grants to entities from prior biennia are reauthorized for completion of contract work.

19
20 **NEW SECTION. Section 17. Condition of grants -- disbursements of funds.** (1) The disbursement
21 of grant funds for the projects specified in [sections 14(2), 15(2) and 15(5)] is subject to completion of the
22 following conditions:

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

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

27 (c) The grant recipient must be in compliance with the auditing and reporting requirements provided for
28 in 2-7-503 and have established a financial accounting system that the department can reasonably ensure
29 conforms to generally accepted accounting principles. Tribal governments shall comply with auditing and
30 reporting requirements provided for in 2 CFR part 200.

1 (d) The grant recipient shall satisfactorily comply with any conditions described in the application (project)
2 summaries section of the treasure state endowment program 2021 biennium report to the 66th legislature.

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

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

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

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

15
16 **NEW SECTION. Section 18. Other powers and duties of department.** (1) The department of
17 commerce shall disburse grant funds on a reimbursement basis as grant recipients incur eligible project
18 expenses.

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

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

23 (b) authorize the amount of grant funds to be provided so that the grant recipient's projected average
24 residential user rates do not become lower than their target rate as determined by the department; or

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

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

1

2 **NEW SECTION. Section 19. Appropriation from treasure state endowment special revenue**
3 **account for emergency grants.** There is appropriated to the department of commerce \$100,000 for the
4 biennium beginning July 1, 2019, from the treasure state endowment special revenue account for the purpose
5 of providing local governments, as defined in 90-6-701, with emergency grants for infrastructure projects, as
6 defined in 90-6-701.

7

8 **NEW SECTION. Section 20. Appropriation from treasure state endowment special revenue**
9 **account for infrastructure planning grants.** There is appropriated to the department of commerce \$900,000
10 for the biennium beginning July 1, 2019, from the treasure state endowment special revenue account for the
11 purpose of providing local governments, as defined in 90-6-701, with infrastructure planning grants for
12 infrastructure projects as defined in 90-6-701.

13

14 **NEW SECTION. Section 21. Appropriation from treasure state endowment special revenue**
15 **account for administrative expenses.** There is appropriated to the department of commerce \$200,000 for the
16 biennium beginning July 1, 2019, from the treasure state endowment special revenue account for administrative
17 expenses.

18

19 **NEW SECTION. Section 22. Appropriations for renewable resource grants.** (1) There is
20 appropriated from the state and local infrastructure account established in [section 2(2)] to the department of
21 natural resources and conservation up to \$4,975,000 for grants to political subdivisions and local governments
22 on the biennium beginning July 1, 2019. The funds referred to in this subsection must be awarded by the
23 department to the named entities for the described purposes and in the grant amounts listed in subsection (3),
24 subject to the conditions set forth in [sections 24 and 25] and the contingencies described in the renewable
25 resource grant and loan program January 2019 report to the 66th legislature.

26 (2) Funds must be awarded up to the amounts approved in subsection (3) in the following listed order
27 of priority until available funds are expended. Funds not accepted or used by higher-ranked projects must be
28 provided for projects farther down the priority list that would not otherwise receive funding. If at any time a grant
29 sponsor determines that a project will not begin before June 30, 2021, the sponsor shall notify the department
30 of natural resources and conservation. After all eligible projects are funded, remaining funds may be used for any

1 renewable resource project authorized under this section.

2 (3) The following are the prioritized grant projects:

3 RENEWABLE RESOURCE GRANT AND LOAN PROGRAM

4 Applicant/Project	Amount
5 Buffalo Rapids Irrigation Project District 1	
6 (Buffalo Rapids Irrigation Project 1 - Lateral 1.7 Pipeline Conversion)	\$125,000
7 Hardin, City of	
8 (Hardin Wastewater Treatment Plant improvements)	\$125,000
9 Dillon, City of	
10 (Dillon Water Transmission and Distribution Main Replacement)	\$125,000
11 Helena Valley Irrigation District	
12 (Helena Valley Irrigation District Lateral 14.8 Headgate Rehabilitation, Phase 2)	\$125,000
13 Polson, City of	
14 (Polson Wastewater System Improvement, Phase 2)	\$125,000
15 Carbon County Conservation District	
16 (Golden Ditch Company Clark Fork Diversion Rehabilitation)	\$125,000
17 Savage Irrigation District	
18 (Savage Irrigation District Infrastructure Rehabilitation)	\$125,000
19 Petroleum County Conservation District	
20 (Horse Creek Coulee Water Storage)	\$125,000
21 Wibaux, Town of	
22 (Wibaux Wastewater Treatment System Improvements)	\$125,000
23 Alberton, Town of	
24 (Alberton Water System Improvements)	\$125,000
25 Geraldine, Town of	
26 (Geraldine Wastewater System Improvements)	\$125,000
27 Missoula, City of	
28 (Caras Park Outfall Storm Water Treatment Retrofit, Phase 2)	\$125,000
29 Black Eagle-Cascade County Water & Sewer District	
30 (Black Eagle-Cascade County Water & Sewer	

1	District Water & Sewer System Improvements)	\$125,000
2	East Helena, City of	
3	(East Helena Water System Improvements)	\$125,000
4	Plentywood, City of	
5	(Plentywood Wastewater Collection Improvement, Phase 2)	\$125,000
6	Missoula County	
7	(Lewis & Clark Subdivision Wastewater Improvements)	\$125,000
8	Wilsall Water District	
9	(Wilsall Water District Water System Improvements)	\$125,000
10	Lower Yellowstone Irrigation Project	
11	(Lower Yellowstone Irrigation Project Crane	
12	Wasteway & Pump Station Rehabilitation)	\$125,000
13	Missoula County Conservation District	
14	(Grass Valley French Ditch Clark Fork Diversion Rehabilitation)	\$125,000
15	Montana Bureau of Mines and Geology	
16	(Reducing Mobilization of Oil-Brine Salt to Streams)	\$125,000
17	Winifred, Town of	
18	(Winifred Water System Improvements)	\$125,000
19	Hysham, Town of	
20	(Hysham Wastewater System Rehabilitation, Phase 1)	\$125,000
21	Vaughn Cascade County Water and Sewer District	
22	(Vaughn Cascade County Water and Sewer District Water Improvements)	\$125,000
23	Stillwater Conservation District	
24	(Yanzick/Brey, Riddle Ditch Irrigation System Improvements, Phase 2)	\$125,000
25	Lockwood Water and Sewer District	
26	(Lockwood WSD Drinking Water System Improvements)	\$125,000
27	Circle, Town of	
28	(Circle Water System Improvements)	\$125,000
29	Yellowstone County DES	
30	(Billings Bench Water Users Association Main Canal Rehabilitation, Phase 1)	\$125,000

1	Hysham Irrigation District	
2	(Re-Lift Canal Improvement)	\$125,000
3	Clyde Park, Town of	
4	(Clyde Park Water System Improvements)	\$125,000
5	Libby, City of	
6	(Libby Water System Improvements)	\$125,000
7	Chinook, City of	
8	(Chinook Water System Improvements)	\$125,000
9	Cut Bank, City of	
10	(Cut Bank Water System Improvements)	\$125,000
11	North Havre County Water District	
12	(North Havre County Water District Water System Improvements)	\$125,000
13	Plains, Town of	
14	(Plains Wastewater System Protection)	\$125,000
15	Montana Bureau of Mines and Geology	
16	(Measuring Groundwater Recharge in Flood to Pivot Irrigation Conversions)	\$125,000
17	Cascade, Town of	
18	(Cascade Water System Improvements)	\$125,000
19	Fallon County	
20	(Baker Lake Restoration)	\$100,000
21	Pondera County Conservation District	
22	(Kingsbury Turnout Automation)	\$125,000
23	Tin Cup County Water and Sewer District	
24	(Tin Cup County Water and Sewer District Water Conservation)	\$125,000
25	Clancy Water and Sewer District	
26	(Clancy Water and Sewer District Water Improvements)	\$125,000

27

28 **NEW SECTION. Section 23. Appropriations for reclamation and development grants.** (1) The

29 amount of \$1,247,000 is appropriated to the department of natural resources and conservation from the state and

30 local infrastructure account established in [section 2(2)] for grants to political subdivisions and local governments

1 during the biennium ending June 30, 2021. The funds in this subsection must be awarded by the department to
 2 the named entities for the described purposes and in the grant amounts set out in subsection (3) subject to the
 3 conditions set forth in [sections 24 and 25] and the contingencies described in the reclamation and development
 4 grant program January 2019 report to the 66th legislature.

5 (2) Funds must be awarded up to the amounts approved in this section in the order of priority listed in
 6 subsection (3) until available funds are expended. Funds not accepted or used by higher-ranked projects must
 7 be provided for projects farther down the priority list that would not otherwise receive funding. After all eligible
 8 projects are funded, remaining funds may be used for any reclamation and development project authorized under
 9 this section

10 (3) The following are the prioritized grant projects:

11 Applicant/Project	Amount
12 Montana Department of Environmental Quality	
13 (Cottonwood #2 Acid Mine Drainage Diversion Project)	\$300,000
14 Deer Lodge, City of	
15 (Milwaukee Roundhouse CECRA Site Passenger Refueling Area VCRA Program	
16 Remediation)	\$297,000
17 Montana Department of Environmental Quality	
18 (Basin Creek Mine - Phase 2 Site Stability Project)	\$300,000
19 Ryegate, Town of	
20 (Former Ryegate Conoco Groundwater Remediation)	\$50,000
21 Montana Department of Environmental Quality	
22 (Upper Blackfoot Mining Complex Water Treatment Plant Bridge and Infrastructure	
23 Protection)	\$300,000

24
 25 **NEW SECTION. Section 24. Coordination of fund sources for grants to political subdivisions and**
 26 **local governments.** A project sponsor listed under [section 23] may not receive funds from both the reclamation
 27 and development grants program and the renewable resource grant and loan program for the same project during
 28 the same biennium.

29
 30 **NEW SECTION. Section 25. Condition of grants.** Disbursement of funds under [sections 22 and 23]

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

2 (1) A scope of work and budget for the project must be approved by the department of natural resources
3 and conservation. Any changes in scope of work or budget subsequent to legislative approval may not change
4 project goals and objectives. Changes in activities that would reduce the public or natural resource benefits as
5 presented in department of natural resources and conservation reports and applicant testimony to the 66th
6 legislature may result in a proportional reduction in the grant amount.

7 (2) The project sponsor shall show satisfactory completion of conditions described in the recommendation
8 section of the project narrative of the program report to the legislature for the biennium ending June 30, 2021,
9 or, in the case of planning grants issued under [sections 22 and 23], completion of conditions specified at the time
10 of written notification of approved grant authority.

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

12 (4) Any other specific requirements considered necessary by the department must be met to accomplish
13 the purpose of the grant as evidenced from the application to the department or from the proposal as presented
14 to the legislature.

15
16 **NEW SECTION. Section 26. Other appropriations.** There is appropriated to any entity of state
17 government that receives a grant under [sections 22 and 23] the amount of the grant upon award of the grant by
18 the department of natural resources and conservation. Grants to entities from prior biennia are reauthorized for
19 completion of contract work.

20
21 **NEW SECTION. Section 27. Approval of grants -- completion of biennial appropriation.** The
22 legislature, pursuant to 90-2-1111, approves the reclamation and development grants listed in [section 23]. The
23 legislature, pursuant to 85-1-605, approves the renewable resource program grants listed in [section 22]. The
24 authorization of these grants completes a biennial appropriation from the state and local infrastructure account
25 established in [section 2(2)].

26
27 **NEW SECTION. Section 28. Fund transfer.** On or before June 30, 2021, the state treasurer shall
28 transfer to the general fund up to \$17.332 million of interest earnings from the treasure state endowment special
29 revenue account established in 17-5-703(3)(a).

30

1 **Section 29.** Section 90-6-701, MCA, is amended to read:

2 **"90-6-701. Treasure state endowment program created -- definitions.** (1) (a) There is a treasure
3 state endowment program that consists of:

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

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

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

9 (2) ~~Interest~~ Subject to legislative fund transfer, interest from the treasure state endowment fund and from
10 proceeds of the sale of bonds under 17-5-701(2) may be used to provide financial assistance for local
11 government infrastructure projects under this part, to provide funding to the department of commerce for the
12 administrative costs of the treasure state endowment program and the delivering local assistance grant program,
13 and to repay loans from the board of investments.

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

15 (a) "Infrastructure projects" means:

16 (i) drinking water systems;

17 (ii) wastewater treatment;

18 (iii) sanitary sewer or storm sewer systems;

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

20 or

21 (v) bridges.

22 (b) "Local government" means an incorporated city or town, a county, a consolidated local government,
23 a tribal government, a county or multicounty water, sewer, or solid waste district, or an authority as defined in
24 75-6-304.

25 (c) "Treasure state endowment fund" means the coal severance tax infrastructure endowment fund
26 established in 17-5-703(1)(b).

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

29 (e) "Tribal government" means a federally recognized Indian tribe within the state of Montana."
30

1 NEW SECTION. **Section 30. Notification to tribal governments.** The secretary of state shall send
2 a copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell
3 Chippewa tribe.

4
5 NEW SECTION. **Section 31. Severability.** If a part of [this act] is invalid, all valid parts that are
6 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,
7 the part remains in effect in all valid applications that are severable from the invalid applications.

8
9 NEW SECTION. **Section 32. Creation of state debt -- two-thirds vote required.** Because [section
10 13] authorizes the creation of state debt, Article VIII, section 8, of the Montana constitution requires a vote of
11 two-thirds of the members of each house of the legislature for passage.

12

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

14

15 NEW SECTION. **Section 34. Termination.** [Section 29] terminates June 30, 2021.

16

- END -