

1 HOUSE BILL NO. 652

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6

7 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FUNDING AND AUTHORIZATION FOR CAPITAL AND
8 INFRASTRUCTURE PROJECTS STATEWIDE; PROVIDING FUNDING AND AUTHORIZATION FOR SCHOOL
9 FACILITY PROJECTS STATEWIDE; CREATING THE DELIVERING LOCAL ASSISTANCE GRANT PROGRAM;
10 PROVIDING RULEMAKING AUTHORITY; CREATING THE DELIVERING LOCAL ASSISTANCE ACCOUNT
11 FOR GRANTS AND THE LOCAL INFRASTRUCTURE ACCOUNT; APPROPRIATING MONEY TO AGENCIES
12 FOR CAPITAL PROJECTS; APPROPRIATING MONEY TO THE DEPARTMENT OF NATURAL RESOURCES
13 AND CONSERVATION FOR GRANTS UNDER THE RENEWABLE RESOURCE GRANT AND LOAN
14 PROGRAM; APPROPRIATING MONEY TO THE DEPARTMENT OF NATURAL RESOURCES AND
15 CONSERVATION FOR GRANTS UNDER THE RECLAMATION AND DEVELOPMENT GRANTS PROGRAM;
16 APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR FINANCIAL ASSISTANCE TO
17 LOCAL GOVERNMENT INFRASTRUCTURE PROJECTS; AUTHORIZING PROJECT GRANT AMOUNTS;
18 PLACING CONDITIONS UPON GRANTS AND FUNDS; AUTHORIZING THE CREATION OF STATE DEBT
19 THROUGH THE ISSUANCE OF GENERAL OBLIGATION BONDS; TRANSFERRING FUNDS; AMENDING
20 SECTION 90-6-701, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE."
21

22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
23

24 NEW SECTION. Section 1. Definitions. For the purposes of [sections 1 through 12], unless otherwise
25 provided, the following definitions apply:

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

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

29 (3) "Infrastructure projects" means:

30 (a) drinking water systems;

- 1 (b) wastewater treatment;
- 2 (c) sanitary sewer or storm sewer systems;
- 3 (d) solid waste disposal and separation systems, including site acquisition, preparation, and monitoring;
- 4 (e) bridges;
- 5 (f) facilities for government administration;
- 6 (g) public safety infrastructure related to law enforcement, fire protection, or emergency services; or
- 7 (h) school district infrastructure projects. A school district infrastructure project means a project:
- 8 (i) that is related to life safety or security issues;
- 9 (ii) for major repairs or deferred maintenance to an existing school facility; or
- 10 (iii) for major improvements or enhancements to an existing school facility.
- 11 (4) "Local government" means an incorporated city or town, a county, a consolidated local government,
- 12 a tribal government, a school district, a county or multicounty water, sewer, irrigation, or solid waste district, or
- 13 an authority as defined in 75-6-304.
- 14

15 **NEW SECTION. Section 2. Local infrastructure accounts -- use.** (1) There is within the state special

16 revenue fund provided for in 17-2-102 an account called the delivering local assistance account for grants to

17 provide grant funding to local governments for local infrastructure projects. The department of commerce shall

18 administer the account.

19 (2) There is within the state special revenue fund provided for in 17-2-102 an account called the local

20 infrastructure account to provide grants as authorized in [sections 14, 19, and 20]. The department of commerce

21 shall administer the account.

22

23 **NEW SECTION. Section 3. Delivering local assistance grant program created -- authorization for**

24 **local infrastructure project grants.** (1) The department of commerce is authorized to make up to ~~\$14 million~~

25 ~~\$21.5 MILLION~~ in grants to local governments impacted by natural resource development for infrastructure projects.

26 The grants authorized in this section are subject to the conditions set forth in [section 5].

27 (2) Of the grants authorized in subsection (1), ~~\$7 million~~ \$10.75 MILLION must be distributed to local

28 governments for local infrastructure projects as defined in [section 1(3)(a) through (3)(g)].

29 (3) Of the grants authorized in subsection (1), ~~\$7 million~~ \$10.75 MILLION must be distributed to local

30 governments for school district infrastructure projects as defined in [section 1(3)(h)]. The department shall

1 prioritize school district infrastructure projects in the following priority order:

2 (a) projects that solve urgent and serious public health or safety or security problems or that enable public
3 school districts to meet state or federal health or safety standards; and

4 (b) projects that provide improvements necessary to bring school facilities up to current local, state, and
5 federal codes and standards.

6 (4) Except as provided in subsection (3), beginning June 1, 2019, the department of commerce shall
7 receive proposals from local governments for infrastructure projects.

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

12 (6) If a grant recipient does not complete all of the conditions described in [section 5(1)] by September
13 30, 2020, any obligation to the grant recipient is extinguished.

14
15 **NEW SECTION. Section 4. Eligibility -- submission deadline -- priority -- rulemaking authority.**

16 (1) A local government may apply to the department of commerce for local infrastructure grants under [section
17 3].

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

22 (3) All local governments shall submit grant requests and materials to the department by September 30,
23 2019, in order to be eligible for funding under [section 3].

24 (4) The department is authorized to adopt rules or guidelines necessary to implement [this act].
25

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

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

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

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

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

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

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

11 (2) With the exception of bridges and facilities defined in [section 1(3)(f) through (3)(h)], all projects must
12 adhere to the design standards required by the department of environmental quality. Recipients of grants under
13 [section 3] that are not subject to the department of environmental quality design standards shall adhere to
14 generally accepted industry standards such as Recommended Standards for Wastewater Facilities or
15 Recommended Standards for Water Works, published by the Great Lakes-Upper Mississippi River Board of State
16 and Provincial Public Health and Environmental Managers, latest edition.

17 (3) Facility projects as defined in [section 1(3)(f) through (3)(h)] must adhere to the design standards
18 required by applicable regulatory agencies. Recipients of program funds for projects that are not subject to any
19 design standards must comply with generally accepted industry standards.

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

23
24 **NEW SECTION. Section 6. Disbursement of funds.** (1) The department of commerce shall disburse
25 grant funds on a reimbursement basis as grant recipients incur eligible project expenses.

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

28
29 **NEW SECTION. Section 7. Maximum state funding available for infrastructure -- per project -- per**
30 **county.** The maximum amount of state funding under [sections 3 through 7] may not exceed \$750,000 per

1 project, and the maximum amount of grant funding under [sections 3 through 7] that may be received in a single
 2 county may not exceed \$1.5 million.

3
 4 **NEW SECTION. Section 8. Appropriations of grants.** There is appropriated to the department of
 5 commerce \$14 million for the biennium beginning July 1, 2019, from the delivering local assistance account for
 6 grants as authorized in [sections 3 through 7].

7
 8 **NEW SECTION. Section 9. Authorization of and appropriations for capital projects.** (1) Upon
 9 passage and approval of [this act], the following projects, pursuant to 18-2-102, are authorized and approved and
 10 funds are appropriated to the department of administration from the indicated funding sources. Funds not
 11 requiring legislative appropriation are included for the purposes of authorization only:

- 12 DEPARTMENT OF ADMINISTRATION
- 13 Life Safety and Deferred Maintenance,
- 14 Statewide \$3 million (CPA)
- 15 Life Safety and Deferred Maintenance,
- 16 Capitol Complex \$2 million (CPA)
- 17 MONTANA UNIVERSITY SYSTEM
- 18 Romney Hall - MSU Bozeman ~~\$25 million~~ \$16 MILLION (CPA) \$7 million (Authority only)
- 19 \$9 MILLION (LONG-RANGE BUILDING PROGRAM ACCOUNT)
- 20 MAES Research Labs \$2 million (CPA)
- 21 New Dental Clinic, Assisting and Hygiene Lab -
- 22 MSUGF \$4.25 million (CPA)
- 23 DEPARTMENT OF MILITARY AFFAIRS
- 24 Butte-Silver Bow County Armory 5 million (CPA) \$17 million (Federal Special Revenue)
- 25 DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
- 26 Montana State Hospital - Sewer Replacement \$4.5 million (CPA)
- 27 (2) \$1.3 million is appropriated from the CPA to the department of fish, wildlife, and parks for the
- 28 Makoshika State Park Waterline.
- 29 (3) \$750,000 IS APPROPRIATED FROM THE CPA TO THE DEPARTMENT OF COMMERCE TO THE CREDIT OF THE
- 30 MONTANA HERITAGE PRESERVATION AND DEVELOPMENT COMMISSION FOR RESTORATION AND MAINTENANCE OF HISTORIC

1 PROPERTIES IN VIRGINIA CITY AND NEVADA CITY.

2 (4) \$750,000 IS APPROPRIATED FROM THE CPA TO THE DEPARTMENT OF CORRECTIONS TO PROVIDE A GRANT
 3 TO THE DAWSON COUNTY REGIONAL PRISON FOR ROOF REPAIRS, HVAC IMPROVEMENTS, AND ELECTRONIC
 4 IMPROVEMENTS IN THE CONTROL ROOM. THE FACILITY SHALL REPORT ON THE USE OF THE GRANT TO THE DEPARTMENT
 5 OF CORRECTIONS.

6
 7 NEW SECTION. Section 10. Planning and design. The department of administration may proceed
 8 with the planning and design of capital projects prior to the receipt of other funding sources. The department may
 9 use interentity loans in accordance with 17-2-107 to pay planning and design costs incurred before the receipt
 10 of funding from another funding source.

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

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

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

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

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

24
 25 NEW SECTION. Section 12. Review by department of environmental quality. The department of
 26 environmental quality shall review capital projects authorized in [section 9] for potential inclusion in the state
 27 building energy conservation program under Title 90, chapter 4, part 6. When a review shows that a capital
 28 project will result in energy improvements, the project must be submitted to the energy conservation program for
 29 funding consideration. Funding provided under the energy conservation program guidelines must be used to
 30 offset or add to the authorized funding for the project, with the amount dependent on the annual utility savings

1 resulting from the facility improvement. Agencies must be notified of potential funding after the review.

2

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

7 (2) The bonds under this section must be issued in accordance with the terms and in the manner required
 8 by Title 17, chapter 5, part 8, and the maturity of these bonds must be 10 years. The authority granted to the
 9 board of examiners by this section is in addition to any other authorization to the board of examiners to issue and
 10 sell general obligation bonds.

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

13 (a) ~~\$47,050,000~~ \$39,550,000 of the proceeds from the bonds sold under this section must be deposited
 14 in the capital projects account provided for in 17-5-803 and 17-5-804; and

15 (b) ~~\$14,000,000~~ \$21,500,000 of the proceeds from the bonds sold under this section must be deposited
 16 in the delivering local assistance account for grants provided for in [section 2(1)].

17 (c) \$18,823,553 of the proceeds from the bonds sold under this section must be deposited in the local
 18 infrastructure account provided for in [section 2(2)].

19

20 **NEW SECTION. Section 14. Appropriation for treasure state endowment program grants.** (1)
 21 There is appropriated to the department of commerce \$9,645,000 for the biennium beginning July 1, 2019, from
 22 the local infrastructure account established in [section 2(2)] to finance treasure state endowment program grants
 23 authorized by subsection (2).

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

Infrastructure Applicant (project type)	Grant Amount
25 15. Chinook, City of (water)	\$500,000
26 16. Cut Bank, City of (water)	\$750,000
27 17. Roundup, City of (water)	\$750,000
28 18. Darby, Town of (wastewater)	\$500,000
29 19. Scobey, City of (water)	\$500,000

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

22 (3) Funding for the projects numbered 15 through 40 in subsection (2) will be provided up to the amount
 23 of the appropriation in subsection (1) as projects meet the conditions provided in [section 16(1)].

24 (4) There is appropriated to the department of commerce \$2,956,553 for the biennium beginning July 1,
 25 2019, from the local infrastructure account established in [section 2(2)] to finance treasure state endowment
 26 program grants authorized by subsection (5) as projects meet the conditions provided in [section 16(1)].

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

28	Bridge Applicant	Grant Amount
29	5. Madison County	\$591,768
30	6. Chouteau County	\$279,753

1	7. Fergus County	\$262,839
2	8. Sweet Grass County	\$591,976
3	9. Jefferson County	\$207,903
4	10. Big Horn County	\$272,314
5	11. Gallatin County	\$750,000

6 (6) If sufficient funds are available, this section constitutes a valid obligation of funds to the grant
7 recipients listed in subsections (2) and (5) for purposes of encumbering local infrastructure account funds for the
8 biennium beginning July 1, 2019, pursuant to 17-7-302. However, a grant recipient's entitlement to receive funds
9 is dependent on the grant recipient's compliance with the conditions described in [section 16(1)] and on the
10 availability of funds.

11 (7) Funding for projects in subsections (2) and (5) will be provided only as long as there are sufficient
12 funds available from the amount that was deposited into the local infrastructure account. Funding for these
13 projects will be made available in the order that the grant recipients satisfy the conditions described in [section
14 16(1)]. However, any of the projects listed in subsections (2) and (5) that have not completed the conditions
15 described in [section 16(1)] by September 30, 2020, must be reviewed by the next regular session of the
16 legislature to determine if the authorized grant should be withdrawn.

17 (8) The funds appropriated in this section must be used by the department to make grants to the
18 governmental entities listed in subsections (2) and (5) for the described purposes and in amounts not to exceed
19 the amounts set out in subsections (2) and (5). The grants authorized in this section are subject to the conditions
20 set forth in [section 16(1)] and described in the treasure state endowment program 2021 biennium report to the
21 66th legislature. The legislature, pursuant to 90-6-710, authorizes the grants for the projects listed in subsections
22 (2) and (5). The department shall commit funds to projects listed in subsections (2) and (5), up to the amounts
23 authorized, based on the manner of disbursement set forth in [section 16] until the funds deposited into the local
24 infrastructure account during the biennium beginning July 1, 2019, are expended.

25 (9) Grant recipients shall complete all of the conditions described in [section 16(1)] by September 30,
26 2022, or any obligation to the grant recipient will cease.

27
28 **NEW SECTION. Section 15. Approval of grants -- completion of biennial appropriation.** (1) The
29 legislature, pursuant to 90-6-701, authorizes grants for the projects identified in [sections 14(2) and 14(5)].

30 (2) The authorization of these grants completes a biennial appropriation from the local infrastructure

1 account established in [section 2(2)].

2

3 **NEW SECTION. Section 16. Condition of grants -- disbursements of funds.** (1) The disbursement
4 of grant funds for the projects specified in [sections 14(2) and 14(5)] is subject to completion of the following
5 conditions:

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

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

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

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

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

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

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

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

28

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

1 expenses.

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

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

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

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

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

14
15 **NEW SECTION. Section 18. Appropriation from treasure state endowment special revenue**
16 **account for administrative expenses.** There is appropriated to the department of commerce \$200,000 for the
17 biennium beginning July 1, 2019, from the treasure state endowment special revenue account for administrative
18 expenses.

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

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

1 of natural resources and conservation. After all eligible projects are funded, remaining funds may be used for any
 2 renewable resource project authorized under this section.

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

4 RENEWABLE RESOURCE GRANT AND LOAN PROGRAM

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

1	(Black Eagle-Cascade County Water & Sewer District Water & Sewer	
2	System Improvements)	\$125,000
3	East Helena, City of	
4	(East Helena Water System Improvements)	\$125,000
5	Plentywood, City of	
6	(Plentywood Wastewater Collection Improvement, Phase 2)	\$125,000
7	Missoula County	
8	(Lewis & Clark Subdivision Wastewater Improvements)	\$125,000
9	Wilsall Water District	
10	(Wilsall Water District Water System Improvements)	\$125,000
11	Lower Yellowstone Irrigation Project	
12	(Lower Yellowstone Irrigation Project Crane 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 20. 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 local

30 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 21 and 22] 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	
16 Area VCRA Program 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	
23 and Infrastructure Protection)	\$300,000

24
 25 **NEW SECTION. Section 21. Coordination of fund sources for grants to political subdivisions and**
 26 **local governments.** (1) A project sponsor listed under [section 20] may not receive funds from both the
 27 reclamation and development grants program and the renewable resource grant and loan program for the same
 28 project during the same biennium.

29 (2) If a project listed in [this act] receives an appropriation in House Bill Nos. 6, 7, or 11 that fully funds
 30 the project as proposed in that bill, the project sponsor is not eligible to receive a grant under [this act].

1 (3) If the amount of funding in the natural resources projects state special revenue account established
 2 in 15-38-302 is insufficient to fund appropriation levels authorized in House Bill No. 6, a project in House Bill No.
 3 6 that does not receive funding from the natural resources projects state special revenue account established
 4 in 15-38-302 may be funded with the appropriation in [section 19(1)].

5 (4) If the amount of funding in the natural resources projects state special revenue account established
 6 in 15-38-302 is insufficient to fund appropriation levels authorized in House Bill No. 7, a project in House Bill No.
 7 7 that does not receive funding from the natural resources projects state special revenue account established
 8 in 15-38-302 may be funded with the appropriation in [section 20(1)].

9 (5) If the amount of funding in the treasure state endowment special revenue account established in
 10 17-5-703(3)(a), is insufficient to fund appropriation levels authorized in House Bill No. 11, a project in House Bill
 11 No. 11 that does not receive funding from the treasure state endowment special revenue account established
 12 in 17-5-703(3)(a) may be funded with the appropriation in [section 14(1)].

13
 14 **NEW SECTION. Section 22. Condition of grants.** Disbursement of funds under [sections 19 and 20]
 15 is subject to the following conditions that must be met by the project sponsor:

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

21 (2) The project sponsor shall show satisfactory completion of conditions described in the
 22 recommendation section of the project narrative of the program report to the legislature for the biennium ending
 23 June 30, 2021, or, in the case of planning grants issued under [sections 19 and 20], completion of conditions
 24 specified at the time of written notification of approved grant authority.

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

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

29
 30 **NEW SECTION. Section 23. Approval of grants -- completion of biennial appropriation.** The

1 legislature, pursuant to 90-2-1111, approves the reclamation and development grants listed in [section 20]. The
2 legislature, pursuant to 85-1-605, approves the renewable resource program grants listed in [section 19]. The
3 authorization of these grants completes a biennial appropriation from the local infrastructure account established
4 in [section 2(2)].

5

6 **Section 24.** Section 90-6-701, MCA, is amended to read:

7 **"90-6-701. Treasure state endowment program created -- definitions.** (1) (a) There is a treasure
8 state endowment program that consists of:

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

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

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

14 (2) Interest from the treasure state endowment fund and from proceeds of the sale of bonds under
15 17-5-701(2) may be used to provide financial assistance for local government infrastructure projects under this
16 part, to provide funding to the department of commerce for the administrative costs of the treasure state
17 endowment program and the delivering local assistance grant program, and to repay loans from the board of
18 investments.

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

20 (a) "Infrastructure projects" means:

21 (i) drinking water systems;

22 (ii) wastewater treatment;

23 (iii) sanitary sewer or storm sewer systems;

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

25 or

26 (v) bridges.

27 (b) "Local government" means an incorporated city or town, a county, a consolidated local government,
28 a tribal government, a county or multicounty water, sewer, or solid waste district, or an authority as defined in
29 75-6-304.

30 (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 NEW SECTION. SECTION 25. TRANSFER OF FUNDS. BY AUGUST 15, 2019, THE STATE TREASURER SHALL
7 TRANSFER \$9 MILLION FROM THE GENERAL FUND TO THE LONG-RANGE BUILDING PROGRAM ACCOUNT ESTABLISHED IN
8 17-7-205.

9
10 NEW SECTION. Section 26. Notification to tribal governments. The secretary of state shall send
11 a copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell
12 Chippewa tribe.

13
14 NEW SECTION. SECTION 27. COORDINATION INSTRUCTION. IF HOUSE BILL NO. 553 IS NOT PASSED AND
15 APPROVED, [THIS ACT] IS VOID.

16
17 NEW SECTION. Section 28. Severability. If a part of [this act] is invalid, all valid parts that are
18 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,
19 the part remains in effect in all valid applications that are severable from the invalid applications.

20
21 NEW SECTION. Section 29. Creation of state debt -- two-thirds vote required. Because [section
22 13] authorizes the creation of state debt, Article VIII, section 8, of the Montana constitution requires a vote of
23 two-thirds of the members of each house of the legislature for passage.

24
25 NEW SECTION. Section 30. Effective date. [This act] is effective on passage and approval.

26
27 NEW SECTION. Section 31. Termination. [Section 24] terminates June 30, 2021.

28 - END -