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HOUSE BILL NO. 12

INTRODUCED BY M. HOPKINS

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY FROM THE HISTORIC PRESERVATION GRANT PROGRAM ACCOUNT TO THE DEPARTMENT OF COMMERCE FOR HISTORIC PRESERVATION PROJECTS; AUTHORIZING GRANTS FROM THE HISTORIC PRESERVATION GRANT PROGRAM ACCOUNT; PLACING CONDITIONS ON GRANTS AND FUNDS; PROVIDING AN APPROPRIATION; AMENDING SECTIONS 22-3-1305 AND 22-3-1306, MCA; AMENDING SECTION 1(2), CHAPTER 467, LAWS OF 2021; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE."

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

**Section 1.** Section 22-3-1305, MCA, is amended to read:

**"22-3-1305. Historic preservation grant program -- proposals -- recommendations.** (1) There is a historic preservation grant program established within the department of commerce. A Except as provided in subsection (6), a person, association, or representative of a governing unit seeking a historic preservation grant under this section must submit a grant proposal to the department by March 1 of the year preceding the convening of a regular legislative session.

(2) The department shall review all proposals for historic preservation grants in consultation with the tourism advisory council and the state historical preservation office before they are submitted to the legislature.

(3) Consistent with the rules adopted in accordance with 22-3-1306, the department shall make recommendations to the legislature on each proposal submitted to the department.

(4) The department's recommendations to the legislature are advisory.

(5) The department shall present its recommendations to the appropriations committee of the legislature by the 15th day of a regular legislative session.

(6) The legislature may appropriate funds for a qualifying historic preservation grant in addition to

1 those recommended by the department of commerce."

2

3 **Section 2.** Section 22-3-1306, MCA, is amended to read:

4 **"22-3-1306. Priorities for funding -- rulemaking.** (1) The department of commerce shall make  
5 recommendations for grants awarded under the historic preservation grant program to ~~public or private eligible~~  
6 entities for the preservation of historic sites, historical societies, or history museums in the state.

7 (2) Projects funded under this section must provide that a significant portion of the facility be open  
8 to public access and use. Projects that confer only a private benefit are not eligible.

9 (3) The recommendations must be based on competitive criteria created by the department, as  
10 guided by the legislature. The criteria may include:

11 (a) the degree of economic stimulus or economic activity, including job creation and work creation  
12 for Montana contractors and service workers;

13 (b) the purpose of the project, including whether it provides features that establish or enhance  
14 security, climate control, or fire protection for museums or address infrastructure, maintenance, or building code  
15 issues;

16 (c) the timing of the project, including access to matching funds, if needed, and approval of permits  
17 so that work can be completed without delay;

18 (d) the historic or heritage value related to the state of Montana;

19 (e) the successful track record or experience of the organization directing the project; ~~and~~

20 (f) the expected ongoing economic benefit to the state as a result of the project completion;

21 (g) the degree of local contribution to the project; and

22 (h) the anticipated public benefit, including the extent the site or building will be open to the public  
23 and the degree of immediate facility use after project completion.

24 ~~(2)(4)~~ The department of commerce shall adopt rules necessary to implement the historic  
25 preservation grant program. In adopting rules, the department shall look to the rules adopted for the Montana  
26 coal endowment program, the cultural and aesthetic grant program, and other similar state programs. To the  
27 extent feasible, the department shall make the rules compatible with those other programs."  
28

**Section 3.** Section 1(2), Chapter 467, Laws of 2021, is amended to strike the following projects and appropriations:

"4	The People's Center in Pablo	\$50,600"
	Confederated Salish and Kootenai Tribes	
"12	O'Fallon Historical Museum in Baker	
	Fallon County	\$298,657"
"16	Blaine County Museum in Chinook	
	Blaine County Museum	\$60,240"

**NEW SECTION. Section 4. Appropriation for Montana historic grant program.** (1) There is appropriated to the department of commerce ~~\$8,501,314~~ \$10,968,044 for the biennium beginning July 1, 2023, from the historic preservation grant program account established in 22-3-1307 to finance projects authorized in subsection (2).

(2) The following projects and applicants are authorized for grants in ~~their order of priority ranked~~ order:

Rank	Project/Applicant	Grant Amount
<del>1</del>	<del>Harlowton Roundhouse</del>	
	<del>Harlowton, City of</del>	<del>\$500,000</del>
2	Fort Peck Theatre	
	Fort Peck Fine Arts Council	\$500,000
3	Baker State Bank Building	
	Southeastern Montana Area Revitalization Team (SMART)	\$160,000
4	Petroleum County Courthouse	
	Petroleum County	\$498,720
5	Milligan Building	
	Bighorn Valley Health Center, Inc. dba One Health	\$500,000
6	Ringling Church	
	The Ringling Commons, LLC	\$141,773

# Amendment - 1st Reading-white - (H) Appropriations

- 2023

68th Legislature 2023

Drafter: Julie Johnson, 406-444-4024

HB0012.001.018

1	7	National Museum of Forest Service History	
2		National Museum of Forest Service History	\$300,000
3	8	Historic Teslow Grain Elevator	
4		Project49	<del>\$486,102</del> <u>\$392,277</u>
5	8	A.D. Whitcomb Garage	
6		Buses of Yellowstone Preservation Trust, Inc.	\$136,366
7	10	Havre Beneath the Streets	
8		Havre Beneath the Streets	\$359,672
9	11	Hockaday Museum of Art	
10		Hockaday Museum of Art	\$31,000
11	11	Historical Museum at Fort Missoula	
12		Friends of the Historical Museum at Fort Missoula	<del>\$272,000</del> <u>\$175,200</u>
13	13	Shelby Town Hall	
14		Shelby, City of	\$5,600
15	14	Coggswell-Taylor House	
16		Montana Heritage Commission – Coggswell/Taylor House	<del>\$176,562</del> <u>\$141,250</u>
17	15	Rocky Mountain Building	
18		Community Health Care Center, Inc. dba Alluvion Health	<del>\$500,000</del> <u>\$400,000</u>
19	15	The History Museum	
20		Cascade County Historical Society dba The History Museum	\$340,000
21	15	Copper Village Museum and Arts Center	
22		Copper Village Museum and Arts Center	\$235,000
23	18	Historic Hotel Libby	
24		Friends of Historic Hotel Libby	\$173,659
25	18	Roosevelt Center	
26		Red Lodge Area Community Foundation	\$367,578
27	20	Kelly Block Building	
28		75 Park Street LLC	\$500,000

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1	20	Montana Club	
2		Original Montana Club Cooperative Association	\$90,040
3	20	Charles Krug House	
4		Sonja Maxwell	<del>\$145,000</del> <u>\$116,000</u>
5	<del>23</del>	<del>Glendive Greenhouse at Bloom Coffeehouse and Eatery</del>	
6		<del>Bloom Coffeehouse and Eatery</del>	<del>\$250,000</del>
7	23	Edwards & McLellan Block	
8		SGS Properties, LLC	\$221,590
9	25	Hickman House	
10		Montana Heritage Commission – Hickman House	<del>\$166,073</del> <u>\$161,201</u>
11	25	Paris Gibson Square Museum of Art	
12		Paris Gibson Square Museum of Art	\$300,979
13	25	Billings Depot	
14		Billings Depot, Inc.	\$414,400
15	28	Babcock Theatre	
16		Cine Billings dba Art House Cinema	\$236,000
17	29	Wheeler Cabin	
18		Glacier National Park Conservancy	\$493,200
19	<del>29</del>	<del>Blackfoot Spiritual &amp; Heritage Center</del>	
20		<del>Blackfeet Tribe</del>	<del>\$500,000</del>
21	<del>30</del>	<del>Gilbert House</del>	
22		<del>Montana Heritage Commission – Gilbert House</del>	<del>\$297,000</del>
23	30	Stillwater County Courthouse	
24		Stillwater County	\$500,000
25	30	Waite House	
26		Yogo Mansion LLC	<del>\$390,000</del> <u>\$270,000</u>
27	33	Moss <del>Manion</del> <u>Mansion</u>	
28		Billings Preservation Society	\$500,000

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1	34	Ouellette Place	
2		Homeword, Inc. (Ouellette Place)	<del>\$287,300</del> <u>\$100,000</u>
3	34	Acme Building	
4		Homeword, Inc. (Acme Historic Hotel)	<del>\$321,100</del> <u>\$100,000</u>
5	36	Great Falls Civic Center	
6		Great Falls, City of	<del>\$500,000</del> <u>\$250,000</u>
7	37	Miles City Convent Keepers Community Center	
8		Miles City Convent Keepers	\$119,688
9	38	Lenox Flats Building	
10		Homeword, Inc. (Lenox Flats)	<del>\$288,330</del> <u>\$100,000</u>
11	38	Miles City Elks Lodge #537	
12		Miles City Elks Lodge #537	\$200,000
13	40	Daly Mansion	
14		Daly Mansion Preservation Trust	<del>\$266,400</del> <u>\$100,000</u>
15	<del>40</del>	<del>Fountain Terrace Condominiums</del>	
16		<del>Fountain Terrace Condominiums Inc.</del>	<del>\$500,000</del>
17	40	Garfield County Museum	
18		Garfield County	<del>\$500,000</del> <u>\$400,000</u>
19	43	Deer Lodge City Hall	
20		Deer Lodge, City of	\$283,500
21	<del>44</del>	<del>Pollard Hotel</del>	
22		<del>Spofford Hotel Company</del>	<del>\$118,720</del>
23	45	Joliet Town Hall and Courthouse	
24		Joliet, Town of	\$83,000
25	<del>46</del>	<del>Lakeside Distillery</del>	
26		<del>Lakeside Distillery</del>	<del>\$65,000</del>
27	47	Miracle of America Museum	
28		Miracle of America Museum	<del>\$92,623</del> <u>\$70,351</u>

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1 ~~48~~ ~~Legal Tender Bar and Hotel Building~~

2 ~~Mountana Consulting, LLC~~ ~~\$255,938~~

3 (3) Funding for the projects in subsection (2) will be provided in the order of priority as long as  
4 there are sufficient funds available from the amount that was deposited into the historic preservation grant  
5 program account during the biennium beginning July 1, 2023. The funds in this subsection must be awarded for  
6 the projects and in amounts not to exceed the amounts set out in subsection (2) subject to the conditions set  
7 forth in ~~[section 3]~~ [section 7]. However, any of the projects listed in subsection (2) that have not completed the  
8 conditions described in ~~[section 3(1)]~~ [section 7(1)] by September 1, 2024, must be reviewed by the next regular  
9 legislature to determine if the authorized grant should be withdrawn.

10 (4) If sufficient funds are available, this section constitutes a valid obligation of funds to the grant  
11 projects listed in subsection (2) for purposes of encumbering the funds in the historic preservation grant  
12 program account established in 22-3-1307 for the biennium beginning July 1, 2023, pursuant to 17-7-302. A  
13 grant recipient's entitlement to receive funds is dependent on the grant recipient's compliance with the  
14 conditions described in ~~[section 3]~~ [section 7] and on the availability of funds.

15 (5) The legislature, pursuant to 22-3-1305, authorizes the grants for the projects listed in  
16 subsection (2).

17 (6) (a) Except as provided in subsection (6)(b), a grant recipient shall enter into a definitive, binding  
18 contract with a qualified contractor to construct the project prior to September 30 of the even-numbered year  
19 preceding the next regularly scheduled legislative session. If the grant recipient fails to meet the deadline, any  
20 obligation to the grant recipient will cease, and the funds will revert to the historic preservation grant program  
21 account established in 22-3-1307 for use in the next biennium.

22 (b) A grant recipient who fails to meet the contract deadline for either of the following reasons may  
23 request one 2-year extension, during which the project must be placed under contract or any obligation to the  
24 grant will cease:

25 (i) the project was damaged by fire or another form of casualty; or

26 (ii) the grant recipient failed to find a qualified contractor to construct the project and diligently  
27 pursued all reasonable avenues to find a qualified contractor.

28 ~~(6)(7)~~ Grant recipients ~~must~~ shall complete all of the conditions described in ~~[section 3(1)]~~ [section

1 ~~7(1)~~ by September 30, 2026, or any obligation to the grant recipient will cease.

2

3 **NEW SECTION. Section 5. Supplemental appropriations.** In the event that the total cost of a  
4 project exceeds the amount of the grant and matching funds, the grant recipient is fully responsible for funding  
5 the cost overrun. A supplemental appropriation may not be granted to complete the project.

6

7 **NEW SECTION. Section 6. Approval of grants -- completion of biennial appropriation.** (1) The  
8 legislature, pursuant to 22-3-1305, authorizes grants for the projects identified in ~~[section 1(2)] [section 4(2)]~~.

9 (2) The authorization of these grants completes a biennial appropriation from the historic  
10 preservation grant program account established in 22-3-1307.

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

12

13 **NEW SECTION. Section 7. Condition of grants -- disbursement of funds.** (1) The disbursement of  
14 grant funds for the projects specified in ~~[section 1(2)] [section 4(2)]~~ is subject to completion of the following  
15 conditions:

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

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

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

24 (d) The grant recipient shall satisfactorily comply with any conditions described in the application  
25 (project) summaries section of the Montana historic preservation grant program 2025 biennium report to the  
26 68th legislature.

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



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1 department.

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

3 (2) Recipients of Montana historic preservation grant program funds are subject to the  
4 requirements of the department of commerce as described in the most recent edition of the Montana Historic  
5 Preservation Grant Program Project Administration Manual adopted by the department through the  
6 administrative rulemaking process.

7  
8 **NEW SECTION. Section 8. Other powers and duties of the department of commerce.** (1) The  
9 department of commerce must disburse grant funds on a reimbursement basis as grant recipients incur eligible  
10 project expenses.

11 (2) If actual project expenses are lower than the projected expense of the project, the department  
12 may, at its discretion, reduce the amount of grant funds provided to grant recipients in proportion to all other  
13 project funding sources.

14  
15 **NEW SECTION. Section 9. Notification to tribal governments.** The secretary of state shall send a  
16 copy of [this act] to each federally recognized tribal government in Montana.

17  
18 **NEW SECTION. Section 10. Effective date.** [This act] is effective July 1, 2023.

19  
20 **NEW SECTION. Section 11. Termination.** [Section 1] terminates June 30, 2025.

21 - END -