

HOUSE BILL NO. 355

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A BILL FOR AN ACT ENTITLED: "AN ACT CREATING THE STATE-LOCAL INFRASTRUCTURE PARTNERSHIP ACT OF 2023; PROVIDING FOR GRANTS TO ELIGIBLE ENTITIES FOR INFRASTRUCTURE PROJECTS; SETTING UP A GRANT PROCESS; REQUIRING A PERCENTAGE OF MATCHING FUNDS; PROVIDING FOR OVERSIGHT; ADDRESSING COST OVERRUNS AND MISAPPROPRIATION OF FUNDS; SETTING GRANT LIMITS; PROVIDING AN APPROPRIATION; PROVIDING FOR ALLOCATIONS TO COUNTIES; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

NEW SECTION. **Section 1. Short title.** [This act] may be cited as "The State-Local Infrastructure Partnership Act of 2023".

NEW SECTION. **Section 2. Purpose.** The purpose of this act is to use a portion of the state's general fund surplus to fund the maintenance and repair of local government infrastructure facilities on a partnership basis with local government supplying a cash match.

NEW SECTION. **Section 3. Appropriation.** For the biennium beginning July 1, 2023, there is appropriated \$265 million from the general fund to the department of commerce to distribute funds as allocated in [section 12] to counties for each county commission to grant project funds for eligible projects.

1 **NEW SECTION. Section 4. Calculation for allocation of funds.** Each county will receive an
2 allocation of funds based on the following:

- 3 (1) the county's 2020 population;
- 4 (2) the ability of the county's local population to pay for services as measured by per capita
5 income; and
- 6 (3) the county's ability to raise tax revenue locally as measured by per capita taxable valuation.

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8 **NEW SECTION. Section 5. Eligible use of funds -- eligible entities.** (1) Funds allocated in [section
9 12] may be used only by eligible entities to maintain or repair existing local government infrastructure, including
10 potable water systems, sewer systems, fire suppression systems if independent of the potable water systems,
11 streets, roads, bridges, landfills, street lights, and public grounds and buildings.

- 12 (2) Entities eligible for grants under [this act] include incorporated cities and towns, counties,
13 school districts, and special districts.

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15 **NEW SECTION. Section 6. Grant process -- commission and department of commerce review --**
16 **priority.** (1) The county commission shall solicit and accept applications from eligible entities within the county
17 on or before July 1, 2023.

- 18 (2) Once all the applications have been received, the county commission shall hold a public
19 hearing and, based on the information contained within the application and the information received at the
20 public hearing, prepare a recommendation for funding in priority order and transmit the recommendation to the
21 department of commerce.

- 22 (3) The department of commerce shall review the recommendations of the county commission and
23 the content of the recommended application and determine whether the application complies with [this act]. If
24 the application does not comply, the department shall issue notice to the applicable county commission.

- 25 (4) The department may not substitute its judgment for that of the county commission and cannot
26 revise the recommended priority list.

- 27 (5) Priority is given to projects that maintain or repair publicly owned potable water systems,
28 publicly owned sewer systems, and municipal fire suppression systems that are independent of a water system.

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2 NEW SECTION. Section 7. Grant application -- contents -- matching funds requirement.

3 NEW SECTION. Section 8. Project management, cost overruns, and supplemental

4 **appropriations.** The grant applicant entity is fully responsible for managing the project and ensuring that it is
5 completed on-time and within budget. If cost overruns occur, the cost of the overrun is the full and sole
6 responsibility of the applicant. No supplemental appropriation may be authorized by the state.

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8 NEW SECTION. Section 9. Misappropriation or diversion of funds. In the event the grantee
9 misappropriates or diverts any portion of the state grant or local government match to another use, the
10 applicant will repay the state the misappropriated or diverted funds within 12 months of the date of notice from
11 the state and pay a fine equal to 20% of the amount misappropriated or diverted to the state's general fund.

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13 NEW SECTION. Section 10. Grant limits. (1) Except for city-county consolidated governments and
14 counties receiving an allocation of less than \$1 million, no single applicant can receive more than one-third of
15 the county's total allocation from the state.

16 (2) City-county consolidated governments are limited to two-thirds of the total county allocation.

17 (3) Counties whose allocation is less than \$1 million are not subject to any restriction regarding
18 how much an individual applicant may receive.

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20 NEW SECTION. Section 11. Project reports and completion notices. The applicant shall provide a
21 progress report to the department of commerce on a quarterly basis identifying the work that has been
22 undertaken on the project, the work completed, and the amount of funds expended to date. At the completion of
23 the project, the final report must include a statement attesting to the completion of the project, which must be
24 signed by the project manager.

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26 NEW SECTION. Section 12. County allocations. The following amounts are allocated to counties
27 as follows:

28 County Allocation

1	Beaverhead	\$2,314,332
2	Big Horn	\$4,081,455
3	Blaine	\$2,135,880
4	Broadwater	\$1,945,896
5	Carbon	\$2,082,624
6	Carter	\$257,040
7	Cascade	\$22,310,904
8	Chouteau	\$1,396,176
9	Custer	\$3,241,152
10	Daniels	\$308,538
11	Dawson	\$2,164,644
12	Deer Lodge	\$2,764,935
13	Fallon	\$534,059
14	Fergus	\$2,892,632
15	Flathead	\$25,269,782
16	Gallatin	\$23,929,035
17	Garfield	\$280,160
18	Glacier	\$4,163,070
19	Golden Valley	\$147,087
20	Granite	\$792,528
21	Hill	\$4,174,182
22	Jefferson	\$3,030,210
23	Judith Basin	\$348,166
24	Lake	\$9,193,471
25	Lewis and Clark	\$18,200,196
26	Liberty	\$412,552
27	Lincoln	\$6,311,438
28	Madison	\$1,480,222

1	McCone	\$407,166
2	Meagher	\$459,576
3	Mineral	\$1,380,240
4	Missoula	\$28,926,986
5	Musselshell	\$1,243,584
6	Park	\$3,669,330
7	Petroleum	\$141,683
8	Phillips	\$1,043,808
9	Pondera	\$1,330,668
10	Powell	\$1,882,731
11	Powder River	\$396,566
12	Prairie	\$195,289
13	Ravalli	\$12,408,930
14	Richland	\$1,963,242
15	Roosevelt	\$2,975,775
16	Rosebud	\$1,669,482
17	Sanders	\$3,524,848
18	Sheridan	\$673,657
19	Silver Bow	\$9,313,093
20	Stillwater	\$1,600,788
21	Sweetgrass	\$688,755
22	Teton	\$1,429,332
23	Toole	\$942,068
24	Treasure	\$125,952
25	Valley	\$1,582,770
26	Wheatland	\$481,806
27	Wibaux	\$193,338
28	Yellowstone	\$38,610,726

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

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