

Recommendations to House Bill No. 11
1st Reading Copy
Requested by: Rep. Mike Hopkins
For the House Joint Appropriations Subcommittee on Long-Range
Planning Recommendation # 11.002
Prepared by Catherine Duncan
February 11, 2021

Section XX. Section 90-6-710 is amended to read:

90-6-710. Priorities for projects -- procedure -- rulemaking. (1) The department of commerce must receive proposals for infrastructure projects from local governments on a continual basis. The department shall work with a local government in preparing cost estimates for a project. In reviewing project proposals, the department may consult with other state agencies with expertise pertinent to the proposal. For the projects under 90-6-703(1)(a), the department shall prepare and submit two lists containing the recommended projects and the recommended form and amount of financial assistance for each project to the governor, prioritized pursuant to subsection (2) and this subsection. One list must contain the ranked and recommended bridge projects, and the other list must contain the remaining ranked and recommended infrastructure projects referred to in 90-6-701(3)(a). Each list must be prioritized pursuant to subsection (2) of this section, but the department may recommend up to 20% of the interest earnings anticipated to be deposited into the treasure state endowment fund established in 17-5-703 during the following biennium for bridge projects. Before making recommendations to the governor, the department may adjust the ranking of projects by giving priority to urgent and serious public health or safety problems. The governor shall review the projects recommended by the department and shall submit the lists of recommended projects and the recommended financial assistance to the legislature.

(2) In preparing recommendations under subsection (1), preference must be given to infrastructure projects based on the following order of priority:

- (a) projects that solve urgent and serious public health or safety problems or that enable local governments to meet state or federal health or safety standards;
- (b) projects that reflect greater need for financial assistance than other projects;
- (c) projects that incorporate appropriate, cost-effective technical design and that provide thorough, long-term solutions to community public facility needs;
- (d) projects that reflect substantial past efforts to ensure sound, effective, long-term planning and management of public facilities and that attempt to resolve the infrastructure problem with local resources;
- (e) projects that enable local governments to obtain funds from sources other than the funds provided under this part;
- (f) projects that provide long-term, full-time job opportunities for Montanans, that provide public facilities necessary for the expansion of a business that has a high potential for financial success, or that maintain the tax base or that encourage expansion of the tax base; and
- (g) projects that are high local priorities and have strong community support.

(3) After the review required by subsection (1), the projects must be approved by the legislature.

(4) The department shall adopt rules necessary to implement the treasure state endowment program.

(5) The department shall report to each regular session of the legislature the status of all projects that have not been completed in order for the legislature to review each project's status and determine whether the authorized grant should be withdrawn.

(6) (a) Nothing in [this part] prohibits a local government from beginning construction of a proposed infrastructure project after submitting an application to the department prior to legislative approval of a grant award if the local government call fully fund the project without a grant award under this part.

(b) If the local government begins construction of a proposed infrastructure project after submitting an application to the department and prior to legislative approval, the local government assumes all risk and liability associated with those actions.

(c) Any project expenses incurred prior to legislative approval of a grant award may be rendered ineligible by the department if the local government fails to meet any program requirements set forth in this part or the rules adopted by the department pursuant to subsection 4.

END

Explanation:

This amendment would allow projects that might apply to the Treasure State Endowment Program for funding to begin their projects before their grants are approved by the program or the Legislature.

NOTE: This is a statutory amendment and the change would need to be added to the title and reviewed by the Legislative legal staff.