

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

HOUSE BILL NO. 14

INTRODUCED BY M. HOPKINS

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FUNDING AND AUTHORIZATION FOR CAPITAL AND INFRASTRUCTURE PROJECTS STATEWIDE; APPROPRIATING MONEY TO THE DEPARTMENT OF ADMINISTRATION FOR CAPITAL PROJECTS; AUTHORIZING THE CREATION OF STATE DEBT THROUGH THE ISSUANCE OF GENERAL OBLIGATION BONDS; APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR FINANCIAL ASSISTANCE TO LOCAL GOVERNMENT INFRASTRUCTURE PROJECTS THROUGH THE TREASURE STATE ENDOWMENT PROGRAM; APPROPRIATING MONEY TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR GRANTS UNDER THE RENEWABLE RESOURCE GRANT AND LOAN PROGRAM AND THE RECLAMATION AND DEVELOPMENT GRANTS PROGRAM; AUTHORIZING PROJECT GRANT AMOUNTS, PLACING CONDITIONS UPON GRANTS AND FUNDS; CREATING STATE DEBT; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

NEW SECTION. Section 1. Authorizations of and appropriations for capital projects. (1) Upon passage and approval of [this act], the following projects, pursuant to 18-2-102, are authorized and approved and funds are appropriated to the department of administration from the indicated funding sources. The department of administration is authorized to transfer funding and authority between fund types. Funds not requiring legislative appropriation are included for the purposes of authorization only:

Agency/Project	Bonds	State Special	Authority Only	Total
DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES				
SWMVH Enclosed Walkways				
	3,300,000			3,300,000
DEPARTMENT OF LABOR AND INDUSTRY				

Amendment - 1st Reading - Requested by: Mike Hopkins

1	MT Veterinarian Diagnostic & Ag Analytical Labs			
2		22,950,000	<u>13,100,000</u>	13,100,000 36,050,000
3	DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION			
4	Eastern Land Office Facilities & Shop			
5		2,250,000		2,250,000
6	DEPARTMENT OF REVENUE			
7	Liquor Warehouse Expansion			
8		6,500,000		6,500,000
9	MONTANA UNIVERSITY SYSTEM			
10	UM Forestry Conservation & Science Lab			
11		25,000,000	20,000,000	45,000,000
12	MAES Research and Wool Laboratories			
13		11,000,000	1,300,000	12,300,000
14	<u>UM-W Block Hall Renovation</u>			
15		<u>12,000,000</u>		<u>12,000,000</u>

(2) "Authority Only" means approval provided by the legislature to expend money that does not require an appropriation or money that accrues to an agency under the provisions of law, including grants, donations, auxiliary funds, proprietary funds, nonstate funds, and university funds.

(3) If an immediate or future increase in state funding for program expansion or operations and maintenance is required for a new facility in [section 1] but the increase is not appropriated by the 67th legislature, such new facility in [section 1] is not appropriated or authorized as provided in 17-7-210.

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

NEW SECTION. Section 3. Capital projects -- contingent funds -- legislative consent. If a capital

1 project is financed in whole or in part with appropriations contingent on the receipt of funding from an authority-
2 only funding source, the department of administration may not let the project go to bid until the agency receiving
3 funding has submitted a financial plan and agreement for approval by the director of administration.

4 (2) A financial plan and agreement may not be approved by the director if:

5 (a) the level of funding and authorization provided under the financial plan deviates substantially from
6 the funding level provided in [section 1] for that project; or

7 (b) the scope of the project is substantially altered or revised from the concept and intent for that project
8 as presented to the 67th legislature.

9 (3) The appropriations authorized in [section 1] constitute legislative consent for the capital projects
10 contained in [section 1] within the meaning of 18-2-102.

11
12 **NEW SECTION. Section 4. Review by department of environmental quality.** The department of
13 environmental quality shall review capital projects authorized in [section 1] for potential inclusion in the state
14 building energy conservation program under Title 90, chapter 4, part 6. When a review shows that a capital
15 project will result in energy or utility savings and improvements, the project must be submitted to the energy
16 conservation program for funding consideration. Funding provided under the energy conservation program
17 guidelines must be used to offset or add to the authorized funding for the project, with the amount dependent
18 on the annual utility savings resulting from the capital project. Agencies must be notified of potential funding
19 after the review and are obligated to utilize the energy conservation program funding, if available.

20
21 **NEW SECTION. Section 5. Authorization of bonds -- conditions -- maturity.** (1) The board of
22 examiners is authorized to issue and sell general obligation bonds in one or more series and from time to time
23 for the purposes described in subsection (3) in addition to the amount of general obligation bonds outstanding
24 on January 1, 2021.

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

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

3 (a) ~~\$71,000,000~~\$83,000,000 of the proceeds from the bonds sold under this section must be deposited
4 in the capital projects account provided for in 17-5-803 and 17-5-804; and

5 (b) ~~\$20,528,008~~\$19,157,218 of the proceeds from the bonds sold under this section must be deposited
6 in the local infrastructure account provided for in section 2(2), Chapter 476, Laws of 2019.

7

8 **NEW SECTION. Section 6. Appropriation for treasure state endowment program grants.** (1)

9 There is appropriated to the department of commerce ~~\$13,707,898~~\$12,337,108 for the biennium beginning July
10 1, 2021, from the local infrastructure account provided for in section 2(2), Chapter 476, Laws of 2019, to finance
11 treasure state endowment program grants authorized by subsection (2).

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

13 Infrastructure Applicant (project type)	Grant Amount
14 18. Seeley Lake Sewer District (wastewater)	\$750,000
15 19. Roundup, City of (water)	\$750,000
16 20. Red Lodge, City of (storm water)	\$500,000
17 21. Choteau, City of (water)	\$625,000
18 22. Richey, Town of (water)	\$500,000
19 23. Wolf Point, City of (wastewater)	\$625,000
20 24. Circle, Town of (water)	\$625,000
21 25. Hill County RSID #21 (wastewater)	\$260,500
22 26. Shelby, City of (water)	\$625,000
23 27. Cooke City Sewer District (wastewater)	\$500,000
24 28. Big Sandy, Town of (storm water)	\$484,671
25 29. East Helena, City of (wastewater)	\$625,000
26 30. Winnett, Town of (wastewater)	\$625,000
27 30. St. Marie -North Valley County Water and Sewer District (water)	\$625,000
28 32. Big Timber, City of (water)	\$625,000

Amendment - 1st Reading - Requested by: Mike Hopkins

1	33.	Big Mountain County Sewer District (wastewater)	\$500,000
2	34.	Three Forks, City of (water)	\$625,000
3	34.	Flaxville, Town of (water)	\$625,000
4	36.	Philipsburg, Town of (wastewater)	\$750,000
5	37.	Sun Prairie County Water District (water)	\$275,000
6	38.	Fort Benton, City of (water)	\$625,000
7	39.	Valier, Town of (wastewater)	\$625,000
8	40.	Livingston, City of (wastewater)	\$312,727
9	41.	Sunburst, Town of (water)	\$625,000

10 (3) Funding for the projects numbered 18 through 41 in subsection (2) will be provided up to the
11 amount of the appropriation in subsection (1) as projects meet the conditions provided in [section 8(1)].

12 (4) If sufficient funds are available, this section constitutes a valid obligation of funds to the grant
13 recipients listed in subsection (2) for purposes of encumbering the funds in the local infrastructure account
14 provided for in section 2(2), Chapter 476, Laws of 2019, for the biennium beginning July 1, 2021, pursuant to
15 17-7-302. However, a grant recipient's entitlement to receive funds is dependent on the grant recipient's
16 compliance with the conditions described in [section 8(1)] and on the availability of funds.

17 (5) Funding for projects in subsection (2) will be provided only as long as there are sufficient funds
18 available in the local infrastructure account provided for in section 2(2), Chapter 476, Laws of 2019, during the
19 biennium beginning July 1, 2021. Funding for these projects will be made available in the order that the grant
20 recipients satisfy the conditions described in [section 8(1)]. However, any of the projects listed in subsection (2)
21 that have not completed the conditions described in [section 8(1)] by September 1, 2022, must be reviewed by
22 the next regular legislature to determine if the authorized grant should be withdrawn.

23 (6) The funds appropriated in this section must be used by the department to make grants to the
24 governmental entities listed in subsection (2) for the described purposes and in amounts not to exceed the
25 amounts set out in subsection (2) except as provided in subsection (3). The grants authorized in this section are
26 subject to the conditions set forth in [section 8(1)] and described in the treasure state endowment program 2023
27 biennium project funding recommendations to the 67th legislature. The legislature, pursuant to 90-6-710,
28 authorizes the grants for the projects listed in subsection (2). The department shall commit funds to projects

1 listed in subsection (2), up to the amounts authorized except as provided in subsection (3), based on the
2 manner of disbursement set forth in [section 8] until the funds deposited into the treasure state endowment
3 special revenue account established in 17-5-703(3)(a) during the biennium beginning July 1, 2021 are
4 expended.

5 (7) Grant recipients shall complete all of the conditions described in [section 8(1)] by September 30,
6 2024, or any obligation to the grant recipient will cease.

7 (8) Projects numbered 18 through 20 may not receive funds from both House Bill No.11 and [section 6].
8 If House Bill No.11 and [this act] are passed and approved and [this act] provides funding for projects
9 numbered 18 through 20, those receiving funding from [this act] may not receive funding from House Bill No.
10 11.

11
12 **NEW SECTION. Section 7. Approval of grants -- completion of biennial appropriation.** (1) The
13 legislature, pursuant to 90-6-701, authorizes grants for the projects identified in [section 6(2)].

14 (2) The authorization of these grants completes a biennial appropriation from the local infrastructure
15 account provided for in section 2(2), Chapter 476, Laws of 2019.

16
17 **NEW SECTION. Section 8. Condition of grants -- disbursements of funds.** (1) The disbursement
18 of grant funds for the projects specified in [section 6(2)] is subject to completion of the following conditions:

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

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

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

27 (d) The grant recipient shall satisfactorily comply with any conditions described in the application
28 (project) summaries section of the treasure state endowment program 2023 biennium project funding

1 recommendations to the 67th legislature.

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

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

6 (2) All projects must adhere to the design standards required by the department of environmental
7 quality. Recipients of treasure state endowment program funds that are not subject to the department of
8 environmental quality design standards must adhere to generally accepted industry standards, such as
9 Recommended Standards for Wastewater Facilities or Recommended Standards for Water Works, published
10 by the Great Lakes-Upper Mississippi River Board of State and Provincial Public Health and Environmental
11 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 9. Other powers and duties of department of commerce.** (1) The
17 department of commerce shall disburse grant funds on a reimbursement basis as grant recipients incur eligible
18 project 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; or

23 (b) reduce 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.

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

1 grant.

2

3 NEW SECTION. Section 10. Appropriation for renewable resource grants. (1) There is
 4 appropriated from the local infrastructure account provided for in section 2(2), Chapter 476, Laws of 2019, to
 5 the department of natural resources and conservation up to \$4,720,788 for grants to political subdivisions and
 6 local governments in the biennium beginning July 1, 2021. The funds referred to in this subsection must be
 7 awarded by the department to the named entities for the described purposes and in the grant amounts listed in
 8 subsection (3), subject to the conditions set forth in [sections 12 and 13] and the contingencies described in the
 9 renewable resource grant and loan program January 2021 report to the 67th legislature titled: Governor's
 10 Executive Budget Fiscal Years 2021-2023 Volume 6.

11 (2) Funds must be awarded up to the amounts approved in subsection (3) ~~in the following listed order~~
 12 ~~of priority as conditions set forth in [section 13] are satisfied and~~ until available funds are expended. ~~Funds not~~
 13 ~~accepted or used by higher-ranked projects must be provided for projects farther down the priority list that~~
 14 ~~would not otherwise receive funding.~~ If at any time a grant sponsor determines that a project will not begin
 15 before June 30, 2023, the sponsor shall notify the department of natural resources and conservation. After all
 16 eligible projects are funded, remaining funds may be used for any renewable resource project authorized under
 17 this section.

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

	Applicant	Amount
20 37	(Beaverhead County Conservation District (Beaverhead County CD Irrigation Efficiency and Water Measurement Project)	\$125,000
23 38	(Stillwater Conservation District (Stillwater CD Mendenhall Ditch Intake and Drop Structure Rehabilitation Project)	\$125,000
26 39 27	Department of Natural Resources and Conservation-Water Resources Division (MT DNRC Deadman's Supply Canal Rehabilitation Project)	\$125,000
29 40	Lower Yellowstone Irrigation Project	

Amendment - 1st Reading - Requested by: Mike Hopkins

67th Legislature

Drafter: Julie Johnson, 406-444-4024

HB 14.1.1

1	(LYIP Lateral V Check Structure & Lateral W Headgate Rehabilitation	
2	Project)	\$125,000
3	41 Department of Natural Resources and Conservation-Water	
4	Resources Division	
5	(MT DNRC Two Dot Canal Rehabilitation Project)	\$125,000
6	42 Circle, Town of	
7	(Circle Water Improvements, Phase 3)	\$125,000
8	43 Roundup, City of	
9	(Roundup Water Main Improvements, Phase 6)	\$125,000
10	44 Clinton Irrigation District	
11	(CID Schoolhouse Lateral Pipeline Conversion Project)	\$125,000
12	45 Ten Mile/Pleasant Valley Sewer District	
13	(Ten Mile Creek Estates/Pleasant Valley WSD Wastewater	
14	Improvement Project)	\$125,000
15	46 Carbon County Conservation District	
16	(Carbon County CD Mutual Ditch Siphon Replacement)	\$125,000
17	47 Ekalaka, Town of	
18	(Ekalaka Water System Improvement Project)	\$125,000
19	48 Glen Lake Irrigation District	
20	(GLID Rolling Hills Canal Rehabilitation)	\$125,000
21	49 Buffalo Rapids Irrigation Project District 1	
22	(BRID 1 Irrigation System Automation Project)	\$125,000
23	50 Flaxville, Town of	
24	(Flaxville Water Improvement Project)	\$125,000
25	51 North Valley County Water and Sewer District	
26	(North Valley County WSD Water Improvements, Phase 1)	\$125,000
27	52 Buffalo Rapids Irrigation Project District 2	
28	(BRID 2 Lateral 1.6 Pipeline Conversion Project, Phase 2)	\$125,000
29	53 Petroleum County Conservation District	

Amendment - 1st Reading - Requested by: Mike Hopkins

67th Legislature

Drafter: Julie Johnson, 406-444-4024

HB 14.1.1

1	(Petroleum County CD Petrolia Dam Outlet Works Headgate Replacement)	\$105,742
2		
3	54 Harlowton, City of	
4	(Harlowton Water System Improvements, Phase 4)	\$125,000
5	55 Alfalfa Valley Irrigation District	
6	(AVID East Flynn Canal Rehabilitation, Phase 2)	\$125,000
7	56 Malta Irrigation District	
8	(MID Main Canal Lining Wagner Reach)	\$125,000
9	57 Glasgow Irrigation District	
10	(GID Spaniard Check Structure)	\$125,000
11	58 Lewistown, City Of	
12	(Lewistown Water System Improvements)	\$125,000
13	59 Glen Lake Irrigation District	
14	(GLID Infrastructure Modernization Study)	\$125,000
15	60 Big Timber, City of	
16	(Big Timber Water System Improvements)	\$125,000
17	61 Alberton, Town of	
18	(Alberton Water Improvements Project)	\$125,000
19	62 Hysham Irrigation District	
20	(HID Intake Improvements Project)	\$125,000
21	63 Three Forks, City of	
22	(Three Forks Water System Improvements)	\$125,000
23	64 Choteau, City of	
24	(Choteau Water System Improvements)	\$125,000
25	65 Fairfield, Town of	
26	(Fairfield Water System Improvements)	\$125,000
27	66 Huntley Project Irrigation District	
28	(HPID Yellowstone River Bank Stabilization Project)	\$125,000

Amendment - 1st Reading - Requested by: Mike Hopkins

1	67	Sweet Grass County Conservation District	
2		(Sweet Grass County CD Post-Kellogg Ditch Headworks	
3		Improvement Project)	\$125,000
4	68	Lewistown, City Of	
5		(Lewistown Ditch Rehabilitation Project)	\$125,000
6	69	Joliet, Town of	
7		(Joliet Water System Improvements)	\$125,000
8	70	Richey, Town of	
9		(Richey Water System Improvements, Phase 1)	\$125,000
10	71	Fort Benton, City of	
11		(Fort Benton Water System Improvements)	\$125,000
12	72	Big Sandy, Town of	
13		(Big Sandy Stormwater Improvements)	\$125,000
14	73	Belgrade School District	
15		(Belgrade School District- Ridge View Elementary Solar Project)	\$115,046
16	74	Paradise Valley Irrigation District	
17		(PVID Milk River Bank Stabilization Project)	\$125,000

19 **NEW SECTION. Section 11. Appropriations for reclamation and development grants.** (1) The
20 amount of \$2,099,322 is appropriated to the department of natural resources and conservation from the local
21 infrastructure account provided for in section 2(2), Chapter 476, Laws of 2019, for grants to political
22 subdivisions and local governments during the biennium ending June 30, 2021. The funds in this subsection
23 must be awarded by the department to the named entities for the described purposes and in the grant amounts
24 set out in subsection (3) subject to the conditions set forth in [sections 12 and 13] and the contingencies
25 described in the reclamation and development grant program report to the 67th legislature titled: Governor's
26 Executive Budget Fiscal Years 2021 - 2023 Volume 5.

27 (2) Funds must be awarded up to the amounts approved in this section ~~in the order of priority listed in~~
28 ~~subsection (3) as conditions set forth in [section 13] are satisfied and~~ until available funds are expended. Funds

1 ~~not accepted or used by higher-ranked projects must be provided for projects farther down the priority list that~~
 2 ~~would not otherwise receive funding.~~ After all eligible projects are funded, remaining funds may be used for any
 3 reclamation and development project authorized under this section.

4 (3) The following are the prioritized grant projects: Reclamation and Development Grants Program:

5 Applicant (Project)	6 Amount
7 10 Lewistown, City of 8 (Central Post and Treating Company CECRA Facility: Phase II, 9 Capping and Site Reclamation)	10 \$500,000
11 11 Sunburst, Town of 12 (Town of Sunburst Suta South Clean Up Project)	13 \$185,805
14 12 City and County of Butte-Silver Bow 15 (Butte Mining District: Reclamation and Protection Project - Phase V)	16 \$224,680
17 13 Ruby Valley Conservation District 18 (Granite Creek Reclamation Realignment Project)	19 \$461,500
20 14 Deer Lodge Valley Conservation District 21 (Upper French Gulch Fish Passage and Restoration Project)	22 \$194,832
23 15 Fort Peck Assiniboine and Sioux Tribes 24 (Orphaned Oilwell Abandonment and Reclamation)	25 \$300,000
26 16 Ryegate, Town of 27 (Former Ryegate Conoco Groundwater Remediation)	28 \$232,505

22 **NEW SECTION. Section 12. Coordination of fund sources for grants to political subdivisions**
 23 **and local governments.** A project sponsor listed under [section 11] may not receive funds from both the
 24 reclamation and development grants program and the renewable resource grant and loan program for the same
 25 project during the same biennium.

27 **NEW SECTION. Section 13. Condition of grants.** Disbursement of funds under [sections 10 and 11]
 28 is subject to the following conditions that must be met by the project sponsor:

1 (1) A scope of work and budget for the project must be approved by the department of natural
2 resources and conservation. Any changes in scope of work or budget subsequent to legislative approval may
3 not change project goals and objectives. Changes in activities that would reduce the public or natural resource
4 benefits as presented in department of natural resources and conservation reports and applicant testimony to
5 the 67th legislature may result in a proportional reduction in the grant amount.

6 (2) The project sponsor shall show satisfactory completion of conditions described in the
7 recommendation section of the project narrative of the program report to the legislature for the biennium ending
8 June 30, 2023, or, in the case of planning grants issued under [sections 10 and 11], completion of conditions
9 specified at the time of written notification of approved grant authority.

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

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

14
15 **NEW SECTION. Section 14. Approval of grants -- completion of biennial appropriation.** The
16 legislature, pursuant to 90-2-1111, approves the reclamation and development grants listed in [section 11]. The
17 legislature, pursuant to 85-1-605, approves the renewable resource program grants listed in [section 10]. The
18 authorization of these grants completes a biennial appropriation from the local infrastructure account provided
19 for in section 2(2), Chapter 476, Laws of 2019.

20
21 **NEW SECTION. Section 15. Notification to tribal governments.** The secretary of state shall send a
22 copy of [this act] to each federally recognized tribal government in Montana.

23
24 **NEW SECTION. Section 16. Two-thirds vote required.** Because [section 5] authorizes the creation
25 of state debt, Article VIII, section 8, of the Montana constitution requires a vote of two-thirds of the members of
26 each house of the legislature for passage.

27
28 **NEW SECTION. Section 17. Effective date.** [This act] is effective on passage and approval.

Amendment - 1st Reading - Requested by: Mike Hopkins

67th Legislature

Drafter: Julie Johnson, 406-444-4024

HB 14.1.1

1

- END -

DRAFT