

MONTANA HISTORIC PRESERVATION GRANT PROGRAM

Program Description

The Montana Historic Preservation Grant (MHPG) Program, administered by the Department of Commerce (DOC) and codified in Section 22-3-1305, MCA, provides competitive grants to historical societies, history museums, and other public or private entities for the preservation of Montana’s history and historic sites.

MHPG project grants are available on a competitive basis through statutory criteria established in Section 22-3-1306, MCA. The statutory criteria include the following:

1. Support of economic activity or stimulus,
2. purpose and need of proposed project,
3. project timeline and matching funds,
4. state historic or heritage value,
5. experience and capacity to complete proposed project, and
6. ongoing and future state economic benefit.

Applicants must submit grant requests to DOC by March 1st of even numbered years. The MHPG program received 94 grant applications for consideration by the Sixty-seventh Legislature. The MHPG proposal will be presented in HB 12. Applicants requested \$24,111,510 in funds for the following project types:

- 68 historic sites
- 23 history museums
- 3 historical society projects

Program Budget Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium budget request by type of expenditure and source of funding.

Figure 19

Program Comparison -Montana Historic Preservation Grant Program				
Budget Item	Budget 2021 Biennium	Budget 2023 Biennium	Biennium Change	Biennium % Change
Number of Grants	2	17	15	750.0%
Grants Cost	<u>Appropriated</u> \$800,000	<u>Proposed</u> \$3,189,996	2,389,996	298.7%
Total Costs	\$800,000	\$3,189,996	\$2,389,996	298.7%
State Special	800,000	3,189,996	2,389,996	298.7%
Total Funds	\$800,000	\$3,189,996	\$2,389,996	298.7%

Program Discussion

As seen in Figure 19, the executive proposal for the MHPG is a 298.7% increase over the appropriations provided in the 2021 biennium. The reason for the large increase is that the 2021 biennium grant appropriation of \$800,000 was provided to kick-off the new program. Since that time, the program funding has begun and the operating (administrative) rules of the program have been developed. The 2023 biennium is the first biennium of the full program. The executive recommendation for the MHPG program includes an appropriation of \$3.2 million to fund 17 grants. The executive proposal is contained in HB 12. A complete listing of the MHPG grants

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may be seen in appendix item A-9 of this report. The details behind the grants requested for the 2023 biennium MHPG is presented in [Vol. 8 of the Governor’s Executive Budget](#).

LFD COMMENT	<p>Started in FY 2020, the MHPG program was designed to be managed similar to TSEP. Like TSEP the MHPG program has statutory criteria to direct the ranking of the grants. However, since the program is so new, there is less known about the administrative rules related to the program. The LRP subcommittee may wish to review the adopted administrative rules to inform its work on the program.</p>
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Funding

The historic preservation grants account funds appropriations for MHPG projects authorized by the legislature. The account receives revenues as established in 15-68-820, MCA, the accommodations sales tax. The account will receive the following:

- Until December 30, 2024, 5.0% in the account established in 22-3-1307 for historic preservation grants
- Starting January 1, 2025, 6.0% in the account established in 22-3-1307 for historic preservation grants

The allowable uses of the historic preservation account, as provided in 22-3-1307, MCA, “may be used only for historic preservation grants to be administered by the department of commerce.” Unlike many of the other grant programs of the LRP budget, administrative costs are not funded through the grants account.

Figure 20

Montana Historic Preservation Grants - 2023 Biennium Account - 02217					
	FY 2020 Actual	FY 2021 Projected	FY 2022 Projected	FY 2023 Projected	2023 Bien. Projected
Estimated Beginning Fund Balance	\$0	\$610,403	\$1,202,276	\$51,536	\$1,202,276
Revenue Projections ¹					
Accommodation Sales Tax	610,403	1,391,873	2,039,256	2,425,233	4,464,489
Expenditures					
Prior Biennium	0	800,000	0	0	0
2023 Executive Proposal	0	0	3,189,996	0	3,189,996
Total Expenditures	0	800,000	3,189,996	0	3,189,996
Ending Fund Balance	\$610,403	\$1,202,276	\$51,536	\$2,476,769	\$2,476,769
¹ HJ 2					

Figure 20 shows the projected balance of the historic preservation grants state special fund for the 2023 biennium. The fund is expected to begin the 2021 biennium with a fund balance of \$610,403, which is the total revenue to the account in FY 2020. No expenditures were made from the account in FY 2020 and the 2021 biennium appropriation is expected to be fully expended in FY 2021, leaving a balance of \$1.2 million at the beginning of the 2023 biennium. In the 2023 biennium, the revenues are projected to be \$4.5 million and the executive proposal for the MHPG program is \$3.2 million. The balance at the end of the 2023 biennium is projected to be \$2.5 million.