

Montana Heritage Preservation Grant (MHPG) Program- Statute, Rules, & Guidelines

KATY CALLON

JUNE 15, 2022



INTRODUCTION

This report provides an overview of the current statutes, rules, and guidelines of the Montana Heritage Preservation Grant Program. This information is provided at the request of the Long-Range Planning (Section F) Interim Budget Committee, to increase the committee's understanding of the current framework for the program and provide information about particular areas of interest related to applicant eligibility and match requirements.

PROGRAM-RELATED STATUTE

The MHPG Program is authorized under 22-3-1305 through 1307, MCA:

22-3-1305. Historic preservation grant program — proposals — recommendations. (1) There is a historic preservation grant program established within the department of commerce. 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.

History: En. Sec. 5, Ch. 459, L. 2019.

22-3-1306. Priorities for funding — rulemaking. (1) The department of commerce shall make recommendations for grants awarded under the historic preservation grant program to public or private entities for the preservation of historic sites, historical societies, or history museums in the state. The recommendations must be based on competitive criteria created by the department, as guided by the legislature. The criteria may include:

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

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

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

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

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

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

(2) The department of commerce shall adopt rules necessary to implement the historic preservation grant program. In adopting rules, the department shall look to the rules adopted for the treasure state endowment program, the cultural and aesthetic grant program, and other similar state programs. To the extent feasible, the department shall make the rules compatible with those other programs.

History: En. Sec. 6, Ch. 459, L. 2019.

22-3-1307. Historic preservation grant program account. (1) There is an account in the state special revenue fund established in [17-2-102](#) known as the historic preservation grant program account. The tax collections allocated in [15-68-820\(3\)\(b\)](#) and (4)(c) must be deposited in the account.

(2) Money deposited in the account is subject to appropriation by the legislature and may be used only for historic preservation grants to be administered by the department of commerce.

(3) The department shall allocate and disburse historic preservation account funds as appropriated by the legislature.

History: En. Sec. 7, Ch. 459, L. 2019.

This statute was passed by the 2019 Legislature as the Montana Museums Act of 2020 (SB 338) and use of the accommodations tax to fund the program was authorized.

PROGRAM RULES

The Department of Commerce is authorized to adopt rules necessary to implement the MHPG Program under 22-3-1306(2), MCA. For the program rules, the department has incorporated, by reference, its MHPG 2022 Application and Guidelines for the 2025 Biennium (8.94.3101, ARM): [https://comdev.mt.gov/ shared/Historic-Preservation/docs/MHPG-Guidelines-and-Application 2022 Final.pdf](https://comdev.mt.gov/shared/Historic-Preservation/docs/MHPG-Guidelines-and-Application%202022%20Final.pdf) and its MHPG Program Project Administration Manual – October 2021 (8.9.3102, ARM): [https://comdev.mt.gov/ shared/Historic-Preservation/docs/MHPG-Admin-Manual---2022---Final.pdf](https://comdev.mt.gov/shared/Historic-Preservation/docs/MHPG-Admin-Manual---2022---Final.pdf) These references were updated from the previous guidelines and adopted in the Administrative Rules of Montana (ARM) effective December 11, 2021.

The MHPG application and guidelines document provides additional detail regarding eligible applicants (page 4), eligible projects (pages 4-8), and eligible funding including match requirements. These guidelines, as well as additional information and resources for applicants, can be found on the Department of Commerce's MHPG webpage: <https://comdev.mt.gov/Programs-and-Boards/Montana-Historic-Preservation-Grant>

PROGRAM SPECIFICS

There were a couple of areas of interest identified for further review by the Section F Interim Budget Committee, specifically applicant eligibility and match requirements.

Eligible Applicants

Eligible applicants are identified in statute (22-3-1305(1), MCA) as including a person, an association, or a representative of a governing unit.

The 2022 program guidelines clarify that individuals must apply through a fiscal agent, which is an association or in coordination with a local government. For those individual applicants, the fiscal agent or local government is the recipient of the grant and manages the disbursement of grant funds.

Associations are defined in the program guidelines as for-profit or not-for-profit organizations and businesses. The definition of association is not found in statute, so the Department of Commerce used a combination of statutory references for the program, specifically 22-3-1305 and 22-3-1306, MCA, and the general definition of association.

The last type of eligible applicant is a representative of a governing unit. The guidelines identify a "governing unit" as including incorporated cities or towns, counties, consolidated governments, representatives of a governing unit such as a library or school district, or tribal governments. Some state agency applications were included in the previous grant cycle, although only one was awarded. Some additional clarification may be needed if state agencies are eligible entities.

Match Requirements

Under the current program guidelines, a 20.0% match of the total project cost is required for applications submitted by governing units, and for applications by other entities, a 20.0% match of the total grant request is required. This match requirement was included in HB 12 by the 2021 Legislature; the Department of Commerce included these match requirements going forward under the assumption that the 2021 Legislature wanted to continue the match requirement for the program beyond the 2023 biennium. Some additional clarification may be needed if the match was only intended for the 26 projects funded by the 2021 Legislature. Eligible match includes cash, grants, loans, and other forms of capital, as well as in-kind contributions. Other phases or components of the project undertaken by the applicant may be considered eligible for a match, as well.