

HOUSE BILL NO. 11

INTRODUCED BY W. MCKAMEY

BY REQUEST OF THE DEPARTMENT OF COMMERCE

A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY FROM THE TREASURE STATE ENDOWMENT SPECIAL REVENUE ACCOUNT TO THE DEPARTMENT OF COMMERCE FOR INFRASTRUCTURE PROJECTS, EMERGENCY GRANTS FOR FINANCIAL ASSISTANCE TO LOCAL GOVERNMENTS, AND INFRASTRUCTURE PLANNING GRANTS; AUTHORIZING GRANTS FROM THE TREASURE STATE ENDOWMENT SPECIAL REVENUE ACCOUNT; PLACING CONDITIONS ON GRANTS AND FUNDS; APPROPRIATING MONEY FROM THE TREASURE STATE ENDOWMENT REGIONAL WATER SYSTEM SPECIAL REVENUE ACCOUNT TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR FINANCIAL ASSISTANCE TO REGIONAL WATER AUTHORITIES FOR REGIONAL WATER SYSTEM PROJECTS; AND PROVIDING AN EFFECTIVE DATE."

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

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

There is appropriated to the department of commerce \$9,869,800 for the biennium beginning July 1, 2021, from the treasure state endowment special revenue account established in 17-5-703(3)(a) to finance treasure state endowment program grants authorized by subsection (2).

(2) The following applicants and projects are authorized for grants and listed in the order of their priority:

Infrastructure Applicant (project type)	Grant Amount
1. Butte-Silver Bow, City-County of (water)	\$500,000
2. Thompson Falls, City of (wastewater)	\$750,000
3. Loma County Water and Sewer District (water)	\$455,800
4. Fort Smith Water and Sewer District (wastewater)	\$750,000
5. Hardin, City of (wastewater)	\$500,000

1	6.	Lockwood Water and Sewer District (wastewater)	\$750,000
2	7.	Phillips County—Buffalo Trail Water District (water)	\$200,000
3	8.	Alberton, Town of (water)	\$750,000
4	9.	Ekalaka, Town of (water)	\$500,000
5	10.	Lewiston, City of (water)	\$500,000
6	11.	Harlowton, City of (water)	\$625,000
7	12.	Joliet, Town of (water)	\$625,000
8	13.	Deer Lodge, City of (wastewater)	\$500,000
9	14.	Libby, City of (wastewater)	\$464,000
10	15.	Manhattan, Town of (wastewater)	\$750,000
11	16.	Fairfield, Town of (water)	\$625,000
12	17.	Darby, Town of (wastewater)	\$625,000
13	18.	Seeley Lake Sewer District (wastewater)	\$750,000
14	19.	Roundup, City of (water)	\$750,000
15	20.	Red Lodge, City of (storm water)	\$500,000

16 (3) Funding for the projects numbered 1 through 17 in subsection (2) will be provided only as long as
 17 there are sufficient funds available from the amount that was deposited into the treasure state endowment
 18 special revenue account during the biennium beginning July 1, 2021. Funding for the projects will be made
 19 available in the order that the grant recipients satisfy the conditions described in [section 3(1)]. Projects
 20 numbered 18 through 20 listed in subsection (2) that have satisfied the conditions described in [section 3(1)]
 21 may receive grant funds if one or more of the projects numbered 1 through 17 terminate their right to any
 22 awarded funds in writing prior to the end of the biennium beginning July 1, 2021.

23 (4) There is appropriated to the department of commerce \$3,169,451 for the biennium beginning July
 24 1, 2021, from the treasure state endowment special revenue account established in 17-5-703(3)(a) to finance
 25 treasure state endowment program grants authorized by subsection (5) as projects meet the conditions
 26 provided in [section 3(1)].

27 (5) The following applicants and projects are authorized for grants and listed in the order of their
 28 priority:

1	Bridge Applicant	Grant Amount
2	1. Custer County	\$378,615
3	2. Chouteau County	\$318,706
4	3. Park County	\$492,054
5	4. Powell County	\$365,900
6	5. Cascade County	\$750,000
7	6. Wibaux County	\$526,176
8	7. Madison County	\$338,000

(6) If sufficient funds are available, this section constitutes a valid obligation of funds to the grant recipients listed in subsections (2) and (5) for purposes of encumbering the funds in the treasure state endowment special revenue account established in 17-5-703(3)(a) for the biennium beginning July 1, 2021, pursuant to 17-7-302. However, a grant recipient's entitlement to receive funds is dependent on the grant recipient's compliance with the conditions described in [section 3(1)] and on the availability of funds.

(7) Funding for the projects in subsections (2) and (5) will be provided only as long as there are sufficient funds available in the treasure state endowment special revenue account established in 17-5-703(3)(a) during the biennium beginning July 1, 2021. Funding for the projects will be made available in the order that the grant recipients satisfy the conditions described in [section 3(1)]. However, any of the projects listed in subsections (2) and (5) that have not completed the conditions described in [section 3(1)] by September 1, 2022, must be reviewed by the next regular session of the legislature to determine if the authorized grant should be withdrawn.

(8) The funds appropriated in this section must be used by the department to make grants to the governmental entities listed in subsections (2) and (5) for the described purposes and in amounts not to exceed the amounts set out in subsections (2) and (5) except as provided in subsection (3). The grants authorized in this section are subject to the conditions set forth in [section 3(1)] and described in the treasure state endowment program 2023 biennium project funding recommendations to the 67th legislature. The legislature, pursuant to 90-6-710, authorizes the grants for the projects listed in subsections (2) and (5). The department shall commit funds to projects listed in subsections (2) and (5), up to the amounts authorized except as provided in subsection (3), based on the manner of disbursement set forth in [section 3] until the funds

1 deposited into the treasure state endowment special revenue account established in 17-5-703(3)(a) during the
2 biennium beginning July 1, 2021, are expended.

3 (9) Grant recipients shall complete all of the conditions described in [section 3(1)] by September 30,
4 2024, or any obligation to the grant recipient will cease.

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6 **NEW SECTION. Section 2. Approval of grants -- completion of biennial appropriation.** (1) The
7 legislature, pursuant to 90-6-701, authorizes grants for the projects identified in [section 1(2) and 1(5)], the
8 emergency infrastructure grants in [section 5], and the infrastructure planning grants in [section 6].

9 (2) The authorization of these grants completes a biennial appropriation from the treasure state
10 endowment special revenue account established in 17-5-703(3)(a).

11 (3) Grants to entities from prior bienniums are reauthorized for completion of contract work.
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13 **NEW SECTION. Section 3. Condition of grants -- disbursement of funds.** (1) The disbursement of
14 grant funds for the projects specified in [section 1(2) and 1(5)] is subject to completion of the following
15 conditions:

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

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

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

24 (d) The grant recipient shall satisfactorily comply with any conditions described in the application
25 (project) summaries section of the treasure state endowment program 2023 biennium project funding
26 recommendations to the 67th legislature.

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

1 department.

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

3 (2) With the exception of bridges, all projects must adhere to the design standards required by the
4 department of environmental quality. Recipients of treasure state endowment program funds that are not
5 subject to the department of environmental quality design standards must adhere to generally accepted
6 industry standards, such as Recommended Standards for Wastewater Facilities or Recommended Standards
7 for Water Works, published by the Great Lakes-Upper Mississippi River Board of State and Provincial Public
8 Health and Environmental Managers, latest edition.

9 (3) Recipients of treasure state endowment program funds are subject to the requirements of the
10 department of commerce as described in the most recent edition of the Treasure State Endowment Program
11 Project Administration Manual adopted by the department through the administrative rulemaking process.

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13 **NEW SECTION. Section 4. Other powers and duties of department.** (1) The department of
14 commerce shall disburse grant funds on a reimbursement basis as grant recipients incur eligible project
15 expenses.

16 (2) If actual project expenses are lower than the projected expense of the project, the department
17 may, at its discretion:

18 (a) reduce the amount of grant funds to be provided to grant recipients in proportion to all other
19 project funding sources; or

20 (b) reduce the amount of grant funds to be provided so that the grant recipient's projected average
21 residential user rates do not become lower than their target rate as determined by the department.

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

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28 **NEW SECTION. Section 5. Appropriation from treasure state endowment special revenue**

1 **account for emergency grants.** There is appropriated \$100,000 from the treasure state endowment special
2 revenue account to the department of commerce for the biennium beginning July 1, 2021, for the purpose of
3 providing local governments, as defined in 90-6-701, with emergency grants for infrastructure projects, as
4 defined in 90-6-701.

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6 NEW SECTION. **Section 6. Appropriation from treasure state endowment special revenue**
7 **account for infrastructure planning grants.** There is appropriated \$900,000 from the treasure state
8 endowment special revenue account to the department of commerce for the biennium beginning July 1, 2021,
9 for the purpose of providing local governments, as defined in 90-6-701, with the infrastructure planning grants
10 for infrastructure projects, as defined in 90-6-701.

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12 NEW SECTION. **Section 7. Appropriation from treasure state endowment regional water**
13 **system special revenue account.** (1) There is appropriated \$5,000,000 from the treasure state endowment
14 regional water system special revenue account to the department of natural resources and conservation for the
15 biennium beginning July 1, 2021, to finance the state's share of regional water system projects authorized in
16 subsection (2) and as set forth in 90-6-715.

17 (2) The state's four regional water authorities are authorized to receive the funds appropriated in
18 subsection (1) as long as there are sufficient funds available from the amount that was deposited into the
19 treasure state endowment regional water system special revenue account during the biennium beginning July
20 1, 2021.

21 (3) A regional water authority's receipt of funds is dependent on the authority's compliance with the
22 conditions described in [section 9(1)].

23 (4) This section constitutes a valid obligation of funds to the regional water authorities identified in
24 subsection (2) for purposes of encumbering the treasure state endowment regional water system special
25 revenue account funds received during the biennium beginning July 1, 2021, under 17-7-302.

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27 NEW SECTION. **Section 8. Approval of funds -- completion of appropriation.** (1) The legislature,
28 pursuant to 90-6-715, authorizes funds for the regional water authorities identified in [section 7(2)].

(2) The authorization of these funds completes an appropriation from the treasure state endowment regional water system special revenue account provided for in 17-5-703(3)(b).

NEW SECTION. Section 9. Conditions -- manner of disbursements of funds. (1) The disbursement of funds under [sections 7 and 8] is subject to completion of the following conditions:

(a) The regional water authority shall execute an agreement with the department of natural resources and conservation.

(b) The regional water authority must have a project management plan that is approved by the department.

(c) The regional water authority shall establish a financial accounting system that the department can reasonably ensure conforms to generally accepted accounting principles.

(d) The regional water authority shall provide the department with a detailed preliminary engineering report.

(2) The department shall disburse funds on a reimbursement basis as the regional water authority incurs eligible project expenses.

NEW SECTION. Section 10. Notification to tribal governments. The secretary of state shall send a copy of [this act] to each federally recognized tribal government in Montana.

NEW SECTION. Section 11. Effective date. [This act] is effective July 1, 2021.

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