

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	Authority Only	Total
DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES			
SWMVH Enclosed Walkways			
	3,300,000		3,300,000
DEPARTMENT OF LABOR AND INDUSTRY			

1	MT Veterinarian Diagnostic & Ag Analytical Labs			
2		22,950,000	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 (2) "Authority Only" means approval provided by the legislature to expend money that does not require
 15 an appropriation or money that accrues to an agency under the provisions of law, including grants, donations,
 16 auxiliary funds, proprietary funds, nonstate funds, and university funds.

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

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

26 **NEW SECTION. Section 3. Capital projects -- contingent funds -- legislative consent.** If a capital
 27 project is financed in whole or in part with appropriations contingent on the receipt of funding from an authority-
 28 only funding source, the department of administration may not let the project go to bid until the agency receiving

1 funding has submitted a financial plan and agreement for approval by the director of administration.

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

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

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

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

9
10 **NEW SECTION. Section 4. Review by department of environmental quality.** The department of
11 environmental quality shall review capital projects authorized in [section 1] for potential inclusion in the state
12 building energy conservation program under Title 90, chapter 4, part 6. When a review shows that a capital
13 project will result in energy or utility savings and improvements, the project must be submitted to the energy
14 conservation program for funding consideration. Funding provided under the energy conservation program
15 guidelines must be used to offset or add to the authorized funding for the project, with the amount dependent
16 on the annual utility savings resulting from the capital project. Agencies must be notified of potential funding
17 after the review and are obligated to utilize the energy conservation program funding, if available.

18
19 **NEW SECTION. Section 5. Authorization of bonds -- conditions.** (1) The board of examiners is
20 authorized to issue and sell general obligation bonds in one or more series and from time to time for the
21 purposes described in subsection (3) in addition to the amount of general obligation bonds outstanding on
22 January 1, 2021.

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

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

28 (a) \$71,000,000 of the proceeds from the bonds sold under this section must be deposited in the capital

1 projects account provided for in 17-5-803 and 17-5-804; and

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

4

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

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

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

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

1	36.	Philipsburg, Town of (wastewater)	\$750,000
2	37.	Sun Prairie County Water District (water)	\$275,000
3	38.	Fort Benton, City of (water)	\$625,000
4	39.	Valier, Town of (wastewater)	\$625,000
5	40.	Livingston, City of (wastewater)	\$312,727
6	41.	Sunburst, Town of (water)	\$625,000

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

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

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

20 (6) The funds appropriated in this section must be used by the department to make grants to the
21 governmental entities listed in subsection (2) for the described purposes and in amounts not to exceed the
22 amounts set out in subsection (2) except as provided in subsection (3). The grants authorized in this section are
23 subject to the conditions set forth in [section 8(1)] and described in the treasure state endowment program 2023
24 biennium project funding recommendations to the 67th legislature. The legislature, pursuant to 90-6-710,
25 authorizes the grants for the projects listed in subsection (2). The department shall commit funds to projects
26 listed in subsection (2), up to the amounts authorized except as provided in subsection (3), based on the
27 manner of disbursement set forth in [section 8] until the funds deposited into the treasure state endowment
28 special revenue account established in 17-5-703(3)(a) during the biennium beginning July 1, 2021 are

1 expended.

2 (7) Grant recipients shall complete all of the conditions described in [section 8(1)] by September 30,
3 2024, or any obligation to the grant recipient will cease.

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

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

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

13
14 **NEW SECTION. Section 8. Condition of grants -- disbursements of funds.** (1) The disbursement
15 of grant funds for the projects specified in [section 6(2)] is subject to completion of the following conditions:

16 (a) The grant shall document that other matching funds required for completion of the project are firmly
17 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 for
21 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) All projects must adhere to the design standards required by the department of environmental
4 quality. Recipients of treasure state endowment program funds that are not subject to the department of
5 environmental quality design standards must adhere to generally accepted industry standards, such as
6 Recommended Standards for Wastewater Facilities or Recommended Standards for Water Works, published
7 by the Great Lakes-Upper Mississippi River Board of State and Provincial Public Health and Environmental
8 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.

12
13 **NEW SECTION. Section 9. Other powers and duties of department of commerce.** (1) The
14 department of commerce shall disburse grant funds on a reimbursement basis as grant recipients incur eligible
15 project expenses.

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

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

27
28 **NEW SECTION. Section 10. Appropriation for renewable resource grants.** (1) There is

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

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

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

15	Applicant	Amount
16 37	Beaverhead County Conservation District (Beaverhead County CD Irrigation Efficiency and Water 17 Measurement Project)	\$125,000
18		
19 38	Stillwater Conservation District (Stillwater CD Mendenhall Ditch Intake and Drop Structure 20 Rehabilitation Project)	\$125,000
21		
22 39	Department of Natural Resources and Conservation-Water 23 Resources Division (MT DNRC Deadman's Supply Canal Rehabilitation Project)	\$125,000
24		
25 40	Lower Yellowstone Irrigation Project (LYIP Lateral V Check Structure & Lateral W Headgate Rehabilitation 26 Project)	\$125,000
27		
28 41	Department of Natural Resources and Conservation-Water 29 Resources Division (MT DNRC Two Dot Canal Rehabilitation Project)	\$125,000
30		

1	42	Circle, Town of	
2		(Circle Water Improvements, Phase 3)	\$125,000
3	43	Roundup, City of	
4		(Roundup Water Main Improvements, Phase 6)	\$125,000
5	44	Clinton Irrigation District	
6		(CID Schoolhouse Lateral Pipeline Conversion Project)	\$125,000
7	45	Ten Mile/Pleasant Valley Sewer District	
8		(Ten Mile Creek Estates/Pleasant Valley WSD Wastewater	
9		Improvement Project)	\$125,000
10	46	Carbon County Conservation District	
11		(Carbon County CD Mutual Ditch Siphon Replacement)	\$125,000
12	47	Ekalaka, Town of	
13		(Ekalaka Water System Improvement Project)	\$125,000
14	48	Glen Lake Irrigation District	
15		(GLID Rolling Hills Canal Rehabilitation)	\$125,000
16	49	Buffalo Rapids Irrigation Project District 1	
17		(BRID 1 Irrigation System Automation Project)	\$125,000
18	50	Flaxville, Town of	
19		(Flaxville Water Improvement Project)	\$125,000
20	51	North Valley County Water and Sewer District	
21		(North Valley County WSD Water Improvements, Phase 1)	\$125,000
22	52	Buffalo Rapids Irrigation Project District 2	
23		(BRID 2 Lateral 1.6 Pipeline Conversion Project, Phase 2)	\$125,000
24	53	Petroleum County Conservation District	
25		(Petroleum County CD Petrolia Dam Outlet Works Headgate	
26		Replacement)	\$105,742
27	54	Harlowton, City of	
28		(Harlowton Water System Improvements, Phase 4)	\$125,000
29	55	Alfalfa Valley Irrigation District	

1		(AVID East Flynn Canal Rehabilitation, Phase 2)	\$125,000
2	56	Malta Irrigation District	
3		(MID Main Canal Lining Wagner Reach)	\$125,000
4	57	Glasgow Irrigation District	
5		(GID Spaniard Check Structure)	\$125,000
6	58	Lewistown, City Of	
7		(Lewistown Water System Improvements)	\$125,000
8	59	Glen Lake Irrigation District	
9		(GLID Infrastructure Modernization Study)	\$125,000
10	60	Big Timber, City of	
11		(Big Timber Water System Improvements)	\$125,000
12	61	Alberton, Town of	
13		(Alberton Water Improvements Project)	\$125,000
14	62	Hysham Irrigation District	
15		(HID Intake Improvements Project)	\$125,000
16	63	Three Forks, City of	
17		(Three Forks Water System Improvements)	\$125,000
18	64	Choteau, City of	
19		(Choteau Water System Improvements)	\$125,000
20	65	Fairfield, Town of	
21		(Fairfield Water System Improvements)	\$125,000
22	66	Huntley Project Irrigation District	
23		(HPID Yellowstone River Bank Stabilization Project)	\$125,000
24	67	Sweet Grass County Conservation District	
25		(Sweet Grass County CD Post-Kellogg Ditch Headworks	
26		Improvement Project)	\$125,000
27	68	Lewistown, City Of	
28		(Lewistown Ditch Rehabilitation Project)	\$125,000

1	69	Joliet, Town of	
2		(Joliet Water System Improvements)	\$125,000
3	70	Richey, Town of	
4		(Richey Water System Improvements, Phase 1)	\$125,000
5	71	Fort Benton, City of	
6		(Fort Benton Water System Improvements)	\$125,000
7	72	Big Sandy, Town of	
8		(Big Sandy Stormwater Improvements)	\$125,000
9	73	Belgrade School District	
10		(Belgrade School District- Ridge View Elementary Solar Project)	\$115,046
11	74	Paradise Valley Irrigation District	
12		(PVID Milk River Bank Stabilization Project)	\$125,000

13

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

22 (2) Funds must be awarded up to the amounts approved in this section in the order of priority listed in
 23 subsection (3) until available funds are expended. Funds not accepted or used by higher-ranked projects must
 24 be provided for projects farther down the priority list that would not otherwise receive funding. After all eligible
 25 projects are funded, remaining funds may be used for any reclamation and development project authorized
 26 under this section.

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

28	Applicant (Project)	Amount
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1	10	Lewistown, City of	
2		(Central Post and Treating Company CECRA Facility: Phase II,	
3		Capping and Site Reclamation)	\$500,000
4	11	Sunburst, Town of	
5		(Town of Sunburst Suta South Clean Up Project)	\$185,805
6	12	City and County of Butte-Silver Bow	
7		(Butte Mining District: Reclamation and Protection Project - Phase V)	\$224,680
8	13	Ruby Valley Conservation District	
9		(Granite Creek Reclamation Realignment Project)	\$461,500
10	14	Deer Lodge Valley Conservation District	
11		(Upper French Gulch Fish Passage and Restoration Project)	\$194,832
12	15	Fort Peck Assiniboine and Sioux Tribes	
13		(Orphaned Oilwell Abandonment and Reclamation)	\$300,000
14	16	Ryegate, Town of	
15		(Former Ryegate Conoco Groundwater Remediation)	\$232,505

16

17 **NEW SECTION. Section 12. Coordination of fund sources for grants to political subdivisions**

18 **and local governments.** A project sponsor listed under [section 11] may not receive funds from both the

19 reclamation and development grants program and the renewable resource grant and loan program for the same

20 project during the same biennium.

21

22 **NEW SECTION. Section 13. Condition of grants.** Disbursement of funds under [sections 10 and 11]

23 is subject to the following conditions that must be met by the project sponsor:

24 (1) A scope of work and budget for the project must be approved by the department of natural

25 resources and conservation. Any changes in scope of work or budget subsequent to legislative approval may

26 not change project goals and objectives. Changes in activities that would reduce the public or natural resource

27 benefits as presented in department of natural resources and conservation reports and applicant testimony to

28 the 67th legislature may result in a proportional reduction in the grant amount.

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

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

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

9

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

15

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

18

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

22

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

24

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