

HOUSE BILL NO. 11

INTRODUCED BY M. CUFFE

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4 A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY TO THE DEPARTMENT OF
5 COMMERCE FOR FINANCIAL ASSISTANCE TO LOCAL GOVERNMENT INFRASTRUCTURE PROJECTS
6 THROUGH THE TREASURE STATE ENDOWMENT PROGRAM; AUTHORIZING GRANTS FROM THE
7 TREASURE STATE ENDOWMENT STATE SPECIAL REVENUE ACCOUNT; PLACING CONDITIONS UPON
8 GRANTS AND FUNDS; APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR
9 EMERGENCY GRANTS; APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR
10 INFRASTRUCTURE PLANNING GRANTS; APPROPRIATING MONEY FROM THE TREASURE STATE
11 ENDOWMENT REGIONAL WATER SYSTEM STATE SPECIAL REVENUE ACCOUNT TO THE DEPARTMENT
12 OF NATURAL RESOURCES AND CONSERVATION FOR FINANCIAL ASSISTANCE TO REGIONAL WATER
13 AUTHORITIES FOR REGIONAL WATER PROJECTS; AND PROVIDING AN EFFECTIVE DATE."

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15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
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17 **NEW SECTION. Section 1. Appropriations from treasure state endowment state special revenue**
18 **account.** (1) There is appropriated to the department of commerce \$13,941,000 for the biennium beginning July
19 1, 2015, from the treasure state endowment state special revenue account to finance grants authorized by
20 subsection (2).

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

22 Other Infrastructure Applicant (project type)	Grant Amount
23 1. Fallon County Water and Sewer District 24 (wastewater)	\$680,000
25 2. Polson, City of (wastewater)	\$750,000
26 3. Harlowton, City of (water)	\$750,000
27 4. Havre, City of (stormwater)	\$500,000
28 5. Bainville, Town of (water)	\$625,000
29 6. Crow Tribe of Indians (wastewater)	\$750,000
30 7. East Clark Street Water and Sewer District	



1	(wastewater)	\$536,850
2	8. Whitefish, Town of (wastewater)	\$500,000
3	9. Hysham, Town of (water)	\$625,000
4	10. Big Sandy, Town of (water)	\$750,000
5	11. Roundup, City of (water)	\$500,000
6	12. Laurel, City of (water)	\$500,000
7	13. Terry, Town of (wastewater)	\$750,000
8	14. Fromberg, Town of (wastewater)	\$750,000
9	15. Upper/Lower River Road Water and Sewer District	
10	(water & wastewater)	\$340,000
11	16. Westby, Town of (wastewater)	\$625,000
12	17. Hot Springs, Town of (wastewater)	\$103,000
13	18. Glasgow, City of (water)	\$500,000
14	19. White Sulphur Springs, City of (wastewater)	\$750,000
15	20. Lewistown, City of (wastewater)	\$500,000
16	21. Greater Woods Bay Sewer District (wastewater)	\$750,000
17	22. Ten Mile Creek Estates/Pleasant Valley Sewer District (wastewater)	\$500,000
18	23. Thompson Falls, City of (water)	\$499,000
19	24. Butte-Silver Bow City/County (wastewater)	\$406,526
20	25. Flaxville, Town of (wastewater)	\$625,000
21	26. Conrad, City of (water)	\$500,000
22	27. Dillon, City of (water)	\$625,000

23 (3) Funding for the projects numbered 1 through 24 in subsection (2) will be provided only as long as
 24 there are sufficient funds available from the amount that was deposited into the treasure state endowment special
 25 revenue account during the biennium ending June 30, 2017. Funding for the projects will be made available in
 26 the order that the grant recipients satisfy the conditions described in [section 3(1)], the obligations to any
 27 remaining projects will cease. Projects numbered 25 though 27 listed in subsection (2) that have satisfied the
 28 conditions described in [section 3(1)] may receive grant funds only if one or more of the projects numbered 1
 29 through 24 terminates its right to the awarded funds in writing prior to the end of the biennium ending June 30,
 30 2017.

1 (4) There is appropriated to the department of commerce \$3,988,000 for the biennium beginning July
 2 1, 2015, from the treasure state endowment state special revenue account to finance grants authorized by
 3 subsection (5).

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

5 Bridge Applicant	Grant Amount
6 1. Hill County	\$291,997
7 2. Custer County	\$467,397
8 3. Sweet Grass County	\$303,898
9 4. Yellowstone County	\$648,476
10 5. Valley County	\$494,108
11 6. Madison County	\$750,000
12 7. Carbon County	\$500,000
13 8. Fergus County	\$337,594
14 9. Chouteau County	\$194,531

15 (6) If sufficient funds are available, this section constitutes a valid obligation of funds to the grant
 16 recipients listed in subsections (2) and (5) for purposes of encumbering the treasure state endowment state
 17 special revenue account funds during the biennium beginning July 1, 2015, pursuant to 17-7-302. However, a
 18 grant recipient's entitlement to receive funds is dependent on the grant recipient's compliance with the conditions
 19 described in [section 3(1)] and on the availability of funds.

20 (7) Funding for projects in subsections (2) and (5) will be provided only as long as there are sufficient
 21 funds available from the amount that was deposited into the treasure state endowment state special revenue
 22 account during the biennium beginning July 1, 2015. Funding for these projects will be made available in the order
 23 that the grant recipients satisfy the conditions described in [section 3(1)]. However, any of the projects listed in
 24 subsections (2) and (5) that have not completed the conditions described in [section 3(1)] by September 30, 2016,
 25 must be reviewed by the next regular session of the legislature to determine if the authorized grant should be
 26 withdrawn.

27 (8) The funds appropriated in this section must be used by the department to make grants to the
 28 governmental entities listed in subsections (2) and (5) for the described purposes and in amounts not to exceed
 29 the amounts set out in subsections (2) and (5). The grants authorized in this section are subject to the conditions
 30 set forth in [sections 2 and 3] and described in the treasure state endowment program 2017 biennium report to

1 the 64th legislature. The legislature, pursuant to 90-6-710, authorizes the grants for the projects listed in
2 subsections (2) and (5). The department shall commit funds to projects listed in subsections (2) and (5), up to
3 the amounts authorized, based on the manner of disbursement set forth in [sections 2 and 3] until the funds
4 deposited into the treasure state endowment state special revenue account during the biennium beginning July
5 1, 2015, are expended.

6 (9) Grant recipients shall complete all of the conditions described in [section 3(1)] by September 30, 2018,
7 or any obligation to the grant recipient will cease.

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

12 (2) The authorization of these grants completes a biennial appropriation from the treasure state
13 endowment special revenue account provided for in 17-5-703(3)(c).

14 (3) Grants to entities from prior bienniums are reauthorized for completion of contract work.

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16 **NEW SECTION. Section 3. Condition of grants -- disbursements of funds.** (1) The disbursement
17 of grant funds for the projects specified in [sections 1(2) and 1(5)] is subject to completion of the following
18 conditions:

19 (a) The grant recipient shall document that other matching funds required for completion of the project
20 are firmly 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 OMB Circular A-133.

27 (d) The grant recipient shall satisfactorily comply with any conditions described in the application (project)
28 summaries section of the treasure state endowment program 2017 biennium report to the 64th legislature.

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

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

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

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

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

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

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

19 (b) authorize the use of the remaining authorized grant amounts for the construction of additional
20 infrastructure components directly related to the approved project that will further enhance the overall system;
21 or

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

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

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29 **NEW SECTION. Section 5. Appropriations from treasure state endowment state special revenue**
30 **account for emergency grants.** There is appropriated to the department of commerce \$100,000 for the

1 biennium beginning July 1, 2015, from the interest earnings of the treasure state endowment state special
2 revenue account for the purpose of providing local governments, as defined in 90-6-701, with emergency grants
3 for infrastructure projects, as defined in 90-6-701.

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5 **NEW SECTION. Section 6. Appropriations from treasure state endowment state special revenue**
6 **account for infrastructure planning grants.** There is appropriated to the department of commerce \$900,000
7 for the biennium beginning July 1, 2015, from the interest earnings of the treasure state endowment state special
8 revenue account for the purpose of providing local governments, as defined in 90-6-701, with infrastructure
9 planning grants for infrastructure projects as defined in 90-6-701.

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11 **NEW SECTION. Section 7. Appropriation from treasure state endowment regional water system**
12 **special revenue account.** (1) There is appropriated \$3,259,761 to the department of natural resources and
13 conservation for the biennium beginning July 1, 2015, from the treasure state endowment regional water system
14 special revenue account to finance the state's share of regional water system projects authorized in subsection
15 (2) and as set forth in 90-6-715.

16 (2) Montana's four regional water authorities are authorized to receive the funds appropriated in
17 subsection (1) as long as there are sufficient funds available from the amount that was deposited into the treasure
18 state endowment regional water system special revenue account during the biennium beginning July 1, 2015.

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

21 (4) This section constitutes a valid obligation of funds to the regional water authorities listed in subsection
22 (2) for purposes of encumbering the treasure state endowment regional water system special revenue account
23 funds received during the biennium beginning July 1, 2015, under 17-7-302.

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

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

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30 **NEW SECTION. Section 9. Conditions -- manner of disbursements of funds.** (1) The disbursement

1 of funds under [sections 7 and 8] is subject to completion of the following conditions:

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

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

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

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

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

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13 NEW SECTION. **Section 10. Notification to tribal governments.** The secretary of state shall send
14 a copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell
15 Chippewa tribe.

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17 NEW SECTION. **Section 11. Effective date.** [This act] is effective July 1, 2015.

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