

## 1 HOUSE BILL NO. 11

2 INTRODUCED BY S. GIBSON

3 BY REQUEST OF THE DEPARTMENT OF COMMERCE, THE DEPARTMENT OF NATURAL RESOURCES  
4 AND CONSERVATION, AND THE OFFICE OF BUDGET AND PROGRAM PLANNING5  
6 A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY TO THE DEPARTMENT OF  
7 COMMERCE FOR FINANCIAL ASSISTANCE TO LOCAL GOVERNMENT INFRASTRUCTURE PROJECTS  
8 THROUGH THE TREASURE STATE ENDOWMENT PROGRAM; AUTHORIZING GRANTS FROM THE  
9 TREASURE STATE ENDOWMENT STATE SPECIAL REVENUE ACCOUNT; PLACING CONDITIONS UPON  
10 GRANTS AND FUNDS; APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR  
11 EMERGENCY GRANTS; APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR  
12 INFRASTRUCTURE PLANNING GRANTS; APPROPRIATING MONEY FROM THE TREASURE STATE  
13 ENDOWMENT REGIONAL WATER SYSTEM STATE SPECIAL REVENUE ACCOUNT TO THE DEPARTMENT  
14 OF NATURAL RESOURCES AND CONSERVATION FOR FINANCIAL ASSISTANCE TO REGIONAL WATER  
15 AUTHORITIES FOR REGIONAL WATER PROJECTS; AND PROVIDING AN EFFECTIVE DATE."16  
17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:18  
19 **NEW SECTION. Section 1. Appropriations from treasure state endowment state special revenue**  
20 **account.** (1) There is appropriated to the department of commerce \$18,342,366 of the interest earnings from the  
21 treasure state endowment state special revenue account to finance grants authorized by this section.22 (2) The funds appropriated in this section must be used by the department to make grants to the  
23 governmental entities listed in subsection (3) for the described purposes and in amounts not to exceed the  
24 amounts set out in subsection (3). The appropriations are subject to the conditions set forth in [sections 2 and  
25 3] and described in the treasure state endowment program 2015 biennium report to the 63rd legislature. The  
26 legislature, pursuant to 90-6-710, authorizes the grants for the projects listed in subsection (3). The department  
27 shall commit funds to projects listed in subsection (3), up to the amounts authorized, based on the manner of  
28 disbursement set forth in [section 3] until interest earnings deposited into the treasure state endowment state  
29 special revenue account during the biennium beginning July 1, 2013, are expended.

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

	Bridge Applicant	Grant Amount
1		
2	1. Missoula County	\$480,372
3	2. Lewis & Clark County	\$231,493
4	3. Beaverhead County	\$123,658
5	4. Granite County	\$376,004
6	5. Carbon County	\$455,675
7	6. Ravalli County	\$212,489
8	Other Infrastructure Applicant (project type)	Grant Amount
9	1. Craig County WSD (wastewater)	\$750,000
10	2. Glendive, City of (wastewater)	\$625,000
11	3. Manhattan, Town of (water)	\$750,000
12	4. Cascade, Town of (water)	\$750,000
13	5. Pinesdale, Town of (water)	\$750,000
14	6. Musselshell County WSD (water)	\$450,125
15	7. Valier, Town of (wastewater)	\$750,000
16	8. Hill County-North Havre (wastewater)	\$211,500
17	9. Hot Springs, Town of (water)	\$592,550
18	10. Custer County RID #1 (wastewater)	\$750,000
19	11. Chinook, City of (water)	\$750,000
20	12. Roundup, City of (water)	\$500,000
21	13. Dawson County-West Glendive (wastewater)	\$750,000
22	14. Seeley Lake Sewer District (wastewater)	\$750,000
23	15. Three Forks, City of (wastewater)	\$750,000
24	16. Libby, City of (water)	\$750,000
25	17. South Wind WSD (wastewater)	\$750,000
26	18. Richland County-Savage (wastewater)	\$750,000
27	19. Amsterdam/Churchill Sewer District (wastewater)	\$750,000
28	20. Philipsburg, Town of (water)	\$550,000
29	21. Dutton, Town of (water)	\$408,500
30	22. Fort Benton, City of (wastewater)	\$750,000

1	23.	Moore, Town of (wastewater)	\$625,000
2	24.	Forsyth, City of (wastewater)	\$500,000
3	25.	Vaughn County WSD (wastewater)	\$750,000

4 (4) If sufficient funds are available, this section constitutes a valid obligation of funds to the grant  
 5 recipients listed in subsection (3) for purposes of encumbering the treasure state endowment state special  
 6 revenue account funds during the biennium beginning July 1, 2013, pursuant to 17-7-302. However, a grant  
 7 recipient's entitlement to receive funds is dependent on the grant recipient's compliance with the conditions  
 8 described in [section 3(1)] and on the availability of funds.

9 (5) Funding for projects in subsection (3) will be provided only as long as there are sufficient funds  
 10 available from the amount that was deposited into the treasure state endowment state special revenue account  
 11 during the biennium beginning July 1, 2013. Funding for these projects will be made available in the order that  
 12 the grant recipients satisfy the conditions described in [section 3(1)].

13 (6) Grant recipients shall complete all of the conditions described in [section 3(1)] by September 30,  
 14 2014, or any obligation to the grant recipient will cease.

15  
 16 **NEW SECTION. Section 2. Approval of grants -- completion of biennial appropriation.** (1) The  
 17 legislature, pursuant to 90-6-701, authorizes grants for the projects identified in [section 1(3)], the emergency  
 18 infrastructure projects in [section 5], and for the infrastructure planning grants in [section 6].

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

21  
 22 **NEW SECTION. Section 3. Condition of grants -- disbursements of funds.** (1) The disbursement  
 23 of grant funds for the projects specified in [section 1(3)] is subject to completion of the following conditions:

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

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

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

1 reporting requirements provided for in OMB Circular A-133.

2 (d) The grant recipient shall satisfactorily comply with any conditions described in the application (project)  
3 summaries section of the treasure state endowment program 2015 biennium report to the 63rd legislature.

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

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

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

13 (3) Recipients of treasure state endowment program funds are subject to the requirements of the  
14 department of commerce as described in the most recent edition of the treasure state endowment program  
15 project administration manual, adopted by the department through the administrative rulemaking process.

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

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

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

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

26 or

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

29 (3) If the grant recipient obtains a greater amount of grant funds than was contained in the treasure state  
30 endowment program application, the department may reduce the amount of the treasure state endowment

1 program grant funds to be provided to ensure that the grant recipient continues to meet the threshold  
2 requirements contained in program guidelines for receiving the larger treasure state endowment program grant.

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4 **NEW SECTION. Section 5. Appropriations from treasure state endowment state special revenue**  
5 **account for emergency grants.** There is appropriated to the department of commerce \$100,000 for the  
6 biennium beginning July 1, 2013, from the interest earnings of the treasure state endowment state special  
7 revenue account for the purpose of providing local governments, as defined in 90-6-701, with emergency grants  
8 for infrastructure projects, as defined in 90-6-701.

9  
10 **NEW SECTION. Section 6. Appropriations from treasure state endowment state special revenue**  
11 **account for infrastructure planning grants.** There is appropriated to the department of commerce \$900,000  
12 for the biennium beginning July 1, 2013, from the interest earnings of the treasure state endowment state special  
13 revenue account for the purpose of providing local governments, as defined in 90-6-701, with infrastructure  
14 planning grants for infrastructure projects as defined in 90-6-701.

15  
16 **NEW SECTION. Section 7. Appropriation from treasure state endowment regional water system**  
17 **special revenue account.** (1) There is appropriated \$8,900,000 to the department of natural resources and  
18 conservation from the interest earnings of the treasure state endowment regional water system special revenue  
19 account to finance the state's share of regional water system projects authorized in subsection (2) and as set forth  
20 in 90-6-715.

21 (2) The Fort Peck-Dry Prairie rural water authority and the Rocky Boys-North Central Montana regional  
22 water authority are authorized to receive the funds appropriated in subsection (1).

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

25 (4) This section constitutes a valid obligation of funds to the regional water authorities listed in subsection  
26 (2) for purposes of encumbering the treasure state endowment regional water system special revenue account  
27 funds received during the biennium beginning July 1, 2013, under 17-7-302.

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

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

3  
4 **NEW SECTION. Section 9. Conditions -- manner of disbursements of funds.** (1) The disbursement  
5 of funds under [sections 7 and 8] is subject to completion of the following conditions:

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

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

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

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

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

16  
17 **NEW SECTION. Section 10. Notification to tribal governments.** The secretary of state shall send  
18 a copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell  
19 Chippewa tribe.

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21 **NEW SECTION. Section 11. Effective date.** [This act] is effective July 1, 2013.

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