



AN ACT APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR FINANCIAL ASSISTANCE TO LOCAL GOVERNMENT INFRASTRUCTURE PROJECTS THROUGH THE TREASURE STATE ENDOWMENT PROGRAM; AUTHORIZING GRANTS FROM THE TREASURE STATE ENDOWMENT STATE SPECIAL REVENUE ACCOUNT; PLACING CONDITIONS UPON GRANTS AND FUNDS; APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR EMERGENCY GRANTS; APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR INFRASTRUCTURE PLANNING GRANTS; APPROPRIATING MONEY FROM THE TREASURE STATE ENDOWMENT REGIONAL WATER SYSTEM STATE SPECIAL REVENUE ACCOUNT TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR FINANCIAL ASSISTANCE TO REGIONAL WATER AUTHORITIES FOR REGIONAL WATER PROJECTS; PROVIDING FOR A TRANSFER OF FUNDS FROM THE STATE GENERAL FUND TO THE TREASURE STATE ENDOWMENT STATE SPECIAL REVENUE ACCOUNT; PROVIDING FOR A TRANSFER OF FUNDS FROM THE STATE GENERAL FUND TO THE TREASURE STATE ENDOWMENT REGIONAL WATER SYSTEM SPECIAL REVENUE ACCOUNT; AND PROVIDING AN EFFECTIVE DATE.

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

Section 1. Appropriation from treasure state endowment state special revenue account. (1) There is appropriated to the department of commerce \$33,983,538 for the biennium beginning July 1, 2013, from the treasure state endowment state special revenue account to finance grants authorized by this section.

(2) The funds appropriated in this section must be used by the department to make grants to the governmental entities listed in subsection (3) for the described purposes and in amounts not to exceed the amounts set out in subsection (3). The grants authorized in this section are subject to the conditions set forth in [sections 2 and 3] and described in the treasure state endowment program 2015 biennium report to the 63rd legislature. The legislature, pursuant to 90-6-710, authorizes the grants for the projects listed in subsection (3). The department shall commit funds to projects listed in subsection (3), up to the amounts authorized, based on the manner of disbursement set forth in [section 3] until the funds deposited into the treasure state endowment

state special revenue account during the biennium beginning July 1, 2013, are expended.

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

| Bridge Applicant | Grant Amount |
|---|--------------|
| 1. Missoula County | \$480,372 |
| 2. Lewis & Clark County | \$231,493 |
| 3. Granite County | \$376,004 |
| 4. Carbon County | \$455,675 |
| 5. Ravalli County | \$212,489 |
| 6. Powell County | \$320,940 |
| 7. Judith Basin County | \$235,211 |
| 8. Blaine County | \$254,000 |
| 9. Anaconda-Deer Lodge Co. | \$312,104 |
| 10. Jefferson County | \$381,882 |
| 11. Stillwater County | \$205,028 |
| 12. Park County | \$109,955 |
| 13. Glacier County | \$281,927 |
| 14. Big Horn County | \$237,462 |
| 15. Chouteau County | \$178,920 |
| 16. Yellowstone County | \$218,439 |
| Other Infrastructure Applicant (project type) | Grant Amount |
| 1. Craig County WSD (wastewater) | \$750,000 |
| 2. Glendive, City of (wastewater) | \$750,000 |
| 3. Manhattan, Town of (water) | \$750,000 |
| 4. Cascade, Town of (water) | \$750,000 |
| 5. Pinesdale, Town of (water) | \$750,000 |
| 6. Musselshell County WSD (water) | \$450,125 |
| 7. Valier, Town of (wastewater) | \$750,000 |
| 8. Hill County-North Havre (wastewater) | \$211,500 |
| 9. Hot Springs, Town of (water) | \$592,550 |

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| 10. | Chinook, City of (water) | \$750,000 |
| 11. | Roundup, City of (water) | \$500,000 |
| 12. | Dawson County-West Glendive (wastewater) | \$750,000 |
| 13. | Seeley Lake Sewer District (wastewater) | \$750,000 |
| 14. | Three Forks, City of (wastewater) | \$750,000 |
| 15. | Libby, City of (water) | \$750,000 |
| 16. | South Wind WSD (wastewater) | \$750,000 |
| 17. | Richland County-Savage (wastewater) | \$750,000 |
| 18. | Amsterdam/Churchill Sewer District (wastewater) | \$750,000 |
| 19. | Philipsburg, Town of (water) | \$550,000 |
| 20. | Dutton, Town of (water) | \$408,500 |
| 21. | Fort Benton, City of (wastewater) | \$750,000 |
| 22. | Moore, Town of (wastewater) | \$625,000 |
| 23. | Forsyth, City of (wastewater) | \$500,000 |
| 24. | Vaughn County WSD (wastewater) | \$750,000 |
| 25. | Choteau, City of (wastewater) | \$750,000 |
| 26. | Boulder, City of (wastewater) | \$625,000 |
| 27. | Polson, City of (water) | \$625,000 |
| 28. | Cut Bank, City of (wastewater) | \$625,000 |
| 29. | White Sulphur Springs, City of (wastewater) | \$460,500 |
| 30. | Conrad, City of (water) | \$625,000 |
| 31. | Winnett, Town of (wastewater) | \$750,000 |
| 32. | Malta, City of (water) | \$500,000 |
| 33. | Harlowton, City of (wastewater) | \$625,000 |
| 34. | Stevensville, Town of (wastewater) | \$750,000 |
| 35. | Lodge Grass, Town of (wastewater) | \$750,000 |
| 36. | Harlem, City of (wastewater) | \$625,000 |
| 37. | Winifred, Town of (wastewater) | \$500,000 |
| 38. | Havre, City of (wastewater) | \$500,000 |

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| 39. | Fairfield, Town of (wastewater) | \$625,000 |
| 40. | Miles City, City of (wastewater) | \$500,000 |
| 41. | Drummond, Town of (wastewater) | \$750,000 |
| 42. | Alberton, Town of (wastewater) | \$292,000 |
| 43. | Eureka, Town of (water) | \$550,000 |
| 44. | Shelby, City of (stormwater) | \$625,000 |
| 45. | Belt, Town of (wastewater) | \$625,000 |
| 46. | Joliet, Town of (wastewater) | \$154,200 |
| 47. | Hamilton, City of (wastewater) | \$322,262 |
| 48. | Plevna, Town of (water) | \$500,000 |

(4) If sufficient funds are available, this section constitutes a valid obligation of funds to the grant recipients listed in subsection (3) for purposes of encumbering the treasure state endowment state special revenue account funds during the biennium beginning July 1, 2013, 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.

(5) Funding for projects in subsection (3) will be provided only as long as there are sufficient funds available from the amount that was deposited into the treasure state endowment state special revenue account during the biennium beginning July 1, 2013. Funding for these 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 subsection (3) that have not completed the conditions described in [section 3(1)] by September 30, 2014, must be reviewed by the next regular session of the legislature to determine if the authorized grant should be withdrawn.

(6) Grant recipients shall complete all of the conditions described in [section 3(1)] by September 30, 2016, or any obligation to the grant recipient will cease.

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

(2) The authorization of these grants completes a biennial appropriation from the treasure state

endowment special revenue account provided for in 17-5-703(3)(c).

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

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

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

(c) The grant recipient must be in compliance with the auditing and reporting requirements provided for in 2-7-503 and have established a financial accounting system that the department can reasonably ensure conforms to generally accepted accounting principles. Tribal governments shall comply with auditing and reporting requirements provided for in OMB Circular A-133.

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 7. Appropriation from treasure state endowment regional water system special revenue account. (1) There is appropriated \$17,000,000 to the department of natural resources and conservation for the biennium beginning July 1, 2013, from the treasure state endowment regional water system special revenue

account to finance the state's share of regional water system projects authorized in subsection (2) and as set forth in 90-6-715.

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

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

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

Section 8. Approval of funds -- completion of appropriation. (1) The legislature, 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)(d).

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.

Section 10. Fund transfer. The state treasurer shall transfer from the state general fund by June 30,

2015:

(1) the amount of \$13,300,000 to the treasure state endowment account in the state special revenue fund; and

(2) the amount of \$8,400,000 to the treasure state endowment regional water system account in the state special revenue fund.

Section 11. Notification to tribal governments. The secretary of state shall send a copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell Chippewa tribe.

Section 12. Effective date. [This act] is effective July 1, 2013.

- END -

I hereby certify that the within bill,
HB 0011, originated in the House.

Chief Clerk of the House

Speaker of the House

Signed this _____ day
of _____, 2013.

President of the Senate

Signed this _____ day
of _____, 2013.

HOUSE BILL NO. 11

INTRODUCED BY S. GIBSON

BY REQUEST OF THE DEPARTMENT OF COMMERCE, THE DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION, AND THE OFFICE OF BUDGET AND PROGRAM PLANNING

AN ACT APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR FINANCIAL ASSISTANCE TO LOCAL GOVERNMENT INFRASTRUCTURE PROJECTS THROUGH THE TREASURE STATE ENDOWMENT PROGRAM; AUTHORIZING GRANTS FROM THE TREASURE STATE ENDOWMENT STATE SPECIAL REVENUE ACCOUNT; PLACING CONDITIONS UPON GRANTS AND FUNDS; APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR EMERGENCY GRANTS; APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR INFRASTRUCTURE PLANNING GRANTS; APPROPRIATING MONEY FROM THE TREASURE STATE ENDOWMENT REGIONAL WATER SYSTEM STATE SPECIAL REVENUE ACCOUNT TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR FINANCIAL ASSISTANCE TO REGIONAL WATER AUTHORITIES FOR REGIONAL WATER PROJECTS; PROVIDING FOR A TRANSFER OF FUNDS FROM THE STATE GENERAL FUND TO THE TREASURE STATE ENDOWMENT STATE SPECIAL REVENUE ACCOUNT; PROVIDING FOR A TRANSFER OF FUNDS FROM THE STATE GENERAL FUND TO THE TREASURE STATE ENDOWMENT REGIONAL WATER SYSTEM SPECIAL REVENUE ACCOUNT; AND PROVIDING AN EFFECTIVE DATE.