



AN ACT APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR EMERGENCY GRANTS 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 ON GRANTS AND FUNDS; APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR INFRASTRUCTURE PROJECTS; 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; AND PROVIDING AN EFFECTIVE DATE.

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

Section 1. Appropriations for treasure state endowment program grants. (1) There is appropriated to the department of commerce \$15,925,000 for the biennium beginning July 1, 2017, from the treasure state endowment state special revenue account 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:

Other Infrastructure Applicant (project type)	Grant Amount
1. Sanders County Sewer District (wastewater)	\$750,000
2. Beaverhead County Jackson Water and Sewer District (water)	\$294,000
3. Denton, Town of (water)	\$625,000
4. Helena, City of (wastewater)	\$750,000
5. Absarokee Water and Sewer District (water)	\$500,000
6. Medicine Lake, Town of (wastewater)	\$625,000
7. Froid, Town of (wastewater)	\$750,000

8. Cut Bank, City of (water)	\$750,000
9. Eureka, Town of (wastewater)	\$555,000
10. Nine Mile Water and Sewer District (water)	\$750,000
11. South Wind Water and Sewer District (water and wastewater)	\$750,000
12. Livingston, City of (wastewater)	\$625,000
13. Townsend, City of (wastewater)	\$625,000
14. Scobey, City of (water)	\$500,000
15. Manhattan, Town of (wastewater)	\$611,800
16. Stanford, Town of (water)	\$500,000
17. Hot Springs, Town of (water)	\$478,632
18. Sheridan, Town of (water)	\$625,000
19. Simms County Sewer District (wastewater)	\$750,000
20. Circle, Town of (water)	\$625,000
21. Lockwood Water and Sewer District (water)	\$625,000
22. Harlowton, City of (water)	\$750,000
23. Cascade, Town of (wastewater)	\$500,000
24. Shelby, City of (water)	\$750,000
25. Dutton, Town of (water)	\$500,000
26. Butte-Silver Bow (wastewater)	\$349,286
27. Winifred, Town of (water)	\$500,000
28. Ryegate, Town of (wastewater)	\$500,000
29. Whitefish, City of (wastewater)	\$750,000
30. Glendive, City of (wastewater)	\$625,000
31. Neihart, Town of (water)	\$500,000
32. Thompson Falls, City of (water)	\$625,000
33. Chinook, City of (water)	\$625,000
34. Malta, City of (water)	\$500,000
35. Sanders County (stormwater)	\$625,000
36. Bigfork County Water and Sewer District (water)	\$500,000
37. Roundup, City of (water)	\$500,000
38. Conrad, City of (water)	\$500,000

39. Fort Benton, City of (water)	\$500,000
40. Laurel, City of (water)	\$500,000
41. Poplar, City of (wastewater)	\$750,000
42. Lincoln Lewis and Clark Co. Sewer District (wastewater)	\$280,000
43. Jordan, Town of (wastewater)	\$500,000
44. Judith Gap, Town of (wastewater)	\$125,000

(3) (a) Funding for the projects numbered 1 through 26 in subsection (2) will be provided up to the amount of the appropriation in subsection (1) as projects meet the conditions provided in [section 3].

(b) Projects numbered 27 through 29 listed in subsection (2) that have satisfied the conditions described in [section 3] may receive grant funds only if one or more of the applicants for projects numbered 1 through 26 have terminated their request for award funds in writing prior to the end of the biennium ending June 30, 2019.

(4) There is appropriated to the department of commerce \$3,747,151 for the biennium beginning July 1, 2017, from the treasure state endowment state special revenue account to finance treasure state endowment program grants authorized by subsection (5) as projects meet the conditions provided in [section 3].

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

Bridge Applicant	Grant Amount
1. Missoula County	\$500,000
2. Park County	\$107,957
3. Madison County	\$237,284
4. Prairie County	\$160,000
5. Gallatin County	\$684,800
6. Carbon County	\$750,000
7. Lewis and Clark County	\$309,985
8. Judith Basin County	\$247,125
9. Powell County	\$750,000
10. Yellowstone County	\$310,914
11. Jefferson County	\$197,412
12. Ravalli County	\$133,143
13. Stillwater County	\$500,000
14. Blaine County	\$389,739
15. Big Horn County	\$473,455

(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 both treasure state endowment state special revenue account funds and state and local infrastructure account funds for the biennium beginning July 1, 2017, 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] and on the availability of funds.

(7) Funding for projects in subsections (2) and (5) that are not fully funded by funds from the treasure state endowment state special revenue account will be provided only as long as there are sufficient funds available from the amount that was deposited into the state and local infrastructure account. Funding for these projects will be made available in the order that the grant recipients satisfy the conditions described in [section 3]. However, any of the projects listed in subsections (2) and (5) that have not completed the conditions described in [section 3] by September 30, 2018, 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). The grants authorized in this section are subject to the conditions set forth in [section 3] and described in the treasure state endowment program 2019 biennium report to the 65th legislature. The department shall commit funds to projects listed in subsections (2) and (5), up to the amounts authorized, based on the manner of and subject to the limitations on disbursement set forth in [section 3] until the funds deposited into the treasure state endowment state special revenue account and the state and local infrastructure account are expended.

(9) Grant recipients shall complete all of the conditions described in [section 3] by September 30, 2020, or any obligation to the grant recipient is void.

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

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

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

Section 3. Condition of grants -- disbursements of funds. (1) The disbursement of grant funds for

the projects specified in [sections 1(2) and 1(5)] 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 2019 biennium report to the 65th 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, 2017, 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, 2017, 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 \$4,943,389 to the department of natural resources and conservation for the biennium beginning July 1, 2017, 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) Montana's four regional water authorities are authorized to receive the funds appropriated in subsection (1) as long as there are sufficient funds available from the amount that was deposited into the treasure state endowment regional water system special revenue account during the biennium beginning July 1, 2017.

(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, 2017, 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. 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 11. Coordination instruction. (1) If both [this act] and an act that provides additional funding for treasure state endowment program grants from bond proceeds are passed and approved, the projects listed in [sections 1(2) and 1(5) of this act] that do not receive funding from the appropriations in [sections 1(1) and 1(4) of this act] may receive funding from the appropriation in the other act designated for treasure state endowment program grants in the order of completion of the conditions of [section 3 of this act] and to the extent that there is appropriation authority available.

(2) If both [this act] and an act that provides additional funding for treasure state endowment program grants from bonding proceeds are passed and approved, [section 1(3)(b) of this act] is void.

Section 12. Effective date. [This act] is effective July 1, 2017.

- END -

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

Speaker of the House

Signed this _____ day
of _____, 2017.

Chief Clerk of the House

President of the Senate

Signed this _____ day
of _____, 2017.

HOUSE BILL NO. 11

INTRODUCED BY J. KEANE

BY REQUEST OF THE DEPARTMENT OF COMMERCE AND THE OFFICE OF BUDGET AND PROGRAM
PLANNING

AN ACT APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR EMERGENCY GRANTS 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 ON GRANTS AND FUNDS; APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR INFRASTRUCTURE PROJECTS; 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; AND PROVIDING AN EFFECTIVE DATE.