



AN ACT 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 SYSTEM PROJECTS; 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; AND PROVIDING AN EFFECTIVE DATE.

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

Section 1. Appropriation for 2019 biennium unfunded authorized treasure state endowment program continuation grants. (1) There is appropriated to the department of commerce \$7,471,390 for the biennium beginning July 1, 2019, from the treasure state endowment special revenue account established in 17-5-703(3)(a) to finance treasure state endowment program grants authorized by subsection (2).

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

Infrastructure Applicant (project type)	Grant Amount
1. Stanford, Town of (water)	\$211,362
2. Hot Springs, Town of (water)	\$478,632
3. Sheridan, Town of (water)	\$625,000
4. Simms County Sewer District (wastewater)	\$750,000
5. Circle, Town of (water)	\$625,000
6. Lockwood Water & Sewer District (water)	\$625,000
7. Harlowton, City of (water)	\$750,000

8. Cascade, Town of (wastewater)	\$500,000
9. Shelby, City of (water)	\$750,000
10. Dutton, Town of (water)	\$500,000
11. Butte-Silver Bow (wastewater)	\$349,286
12. Lewis and Clark County (bridge)	\$309,985
13. Judith Basin County (bridge)	\$247,125
14. Powell County (bridge)	\$750,000

(3) Funding for projects listed in subsection (2) will be provided up to the amount of the appropriation in subsection (1) as projects meet the conditions provided in [section 4(1)].

(4) If sufficient funds are available, this section constitutes a valid obligation of funds in the treasure state endowment special revenue account established in 17-5-703(3)(a) to the grant recipients listed in subsection (2) for the purpose of encumbering the funds for the biennium beginning July 1, 2019, pursuant to 17-7-302. However, a grant recipient's entitlement to receive funds is dependent on the grant recipient's compliance with conditions described in [section 4(1)] and on the availability of funds. Any projects listed in subsection (2) that have not completed the conditions described in [section 4(1)] by September 30, 2020, must be reviewed by the next regular session of the legislature to determine if the authorized grant should be withdrawn.

(5) The funds appropriated in this section must be used by the department of commerce to make grants to the local governments listed in subsection (2) for the described purposes and in amounts not to exceed the amounts set out in subsection (2). The grants authorized in this section are subject to the conditions set forth in [section 4(1)] and described in the treasure state endowment program 2021 biennium report to the 66th legislature. The department of commerce must commit funds to projects listed in subsection (2), up to the amounts authorized, based on the manner of and subject to the limitations on disbursement set forth in [section 4]. If the funds in the treasure state endowment special revenue account established in 17-5-703(3)(a) are insufficient to fund all projects authorized [in this act], the projects in [section 1(2)] must be funded before any projects listed in [sections 2(2) and 2(5)].

(6) The department of commerce will disburse grant funds on a reimbursement basis as grant recipients incur eligible project expenses. Eligible project expenses include eligible project expenses incurred beginning on May 8, 2017.

(7) Grant recipients listed under subsection (2) may use local dollars or other non-treasure state

endowment program funds expended during the biennium beginning July 1, 2017, as matching funds for their project authorized in subsection (2) in addition to currently acceptable forms of match.

(8) Grant recipients must complete all of the conditions described in [section 4(1)] by September 30, 2022, or any obligation to the grant recipient is void.

Section 2. Appropriation for treasure state endowment program grants. (1) There is appropriated to the department of commerce \$8,112,847 for the biennium beginning July 1, 2019, from the treasure state endowment special revenue account established in 17-5-703(3)(a) 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:

Infrastructure Applicant (project type)	Grant Amount
1. Libby, City of (water)	\$750,000
2. Clancy Water & Sewer District (water)	\$750,000
3. Wibaux, Town of (wastewater)	\$750,000
4. Lockwood Water & Sewer District (water)	\$500,000
5. Geraldine, Town of (wastewater)	\$500,000
6. Dodson, Town of (wastewater)	\$362,150
7. Hysham, Town of (wastewater)	\$375,000
8. Wilsall Water District (water)	\$500,000
9. Whitehall, Town of (water)	\$625,000
10. Power-Teton County Water & Sewer District (water)	\$625,000
11. Plains, Town of (wastewater)	\$500,000
12. Broadview, Town of (water)	\$500,000
13. Thompson Falls, City of (wastewater)	\$750,000
14. Coram County Water & Sewer District (water)	\$500,000
15. Chinook, City of (water)	\$500,000
16. Cut Bank, City of (water)	\$750,000
17. Roundup, City of (water)	\$750,000

(3) Funding for the projects numbered 1 through 13 in subsection (2) will be provided only as long as

there are sufficient funds available from the amount that was deposited into the treasure state endowment special revenue account during the biennium beginning July 1, 2019. Funding for the projects will be made available in the order that the grant recipients satisfy the conditions described in [section 4(1)], and the obligations to any remaining projects will cease. Projects numbered 14 through 17 listed in subsection (2) that have satisfied the conditions described in [section 4(1)] may receive grant funds only if one or more of the projects numbered 1 through 13 terminate their right to the awarded funds in writing prior to the end of the biennium beginning July 1, 2019.

(4) There is appropriated to the department of commerce \$2,005,763 for the biennium beginning July 1, 2019, from the treasure state endowment special revenue account established in 17-5-703(3)(a) to finance treasure state endowment program grants authorized by subsection (5) as projects meet the conditions provided in [section 4(1)].

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

Bridge Applicant	Grant Amount
1. Musselshell County	\$589,138
2. Lewis & Clark County	\$558,806
3. Beaverhead County	\$500,000
4. Custer County	\$357,819

(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 the funds in the treasure state endowment special revenue account established in 17-5-703(3)(a) for the biennium beginning July 1, 2019, 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 4(1)] and on the availability of funds.

(7) Funding for projects in subsections (2) and (5) will be provided only as long as there are sufficient funds available in the treasure state endowment special revenue account established in 17-5-703(3)(a) during the biennium beginning July 1, 2019. Funding for these projects will be made available in the order that the grant recipients satisfy the conditions described in [section 4(1)]. However, any of the projects listed in subsections (2) and (5) that have not completed the conditions described in [section 4(1)] by September 30, 2020, 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 4(1)] and described in the treasure state endowment program 2021 biennium report to the 66th legislature. The legislature, pursuant to 90-6-710, authorizes the grants for the projects listed in subsections (2) and (5). The department shall commit funds to projects listed in subsections (2) and (5), up to the amounts authorized, based on the manner of disbursement set forth in [section 4] until the funds deposited into the treasure state endowment special revenue account established in 17-5-703(3)(a) during the biennium beginning July 1, 2019, are expended.

(9) Grant recipients shall complete all of the conditions described in [section 4(1)] by September 30, 2022, or any obligation to the grant recipient will cease.

Section 3. Approval of grants -- completion of biennial appropriation. (1) The legislature, pursuant to 90-6-701, authorizes grants for the projects identified in [section 1(2)], the projects identified in [sections 2(2) and 2(5)], the emergency infrastructure grants in [section 6], and the infrastructure planning grants in [section 7].

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

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

Section 4. Condition of grants -- disbursements of funds. (1) The disbursement of grant funds for the projects specified in [sections 1(2), 2(2), and 2(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 2 CFR 200.

(d) The grant recipient shall satisfactorily comply with any conditions described in the application (project)

summaries section of the treasure state endowment program 2021 biennium report to the 66th 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 5. 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 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; 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 6. Appropriation from treasure state endowment special revenue account for emergency grants. There is appropriated to the department of commerce \$100,000 for the biennium beginning July 1, 2019, from the treasure state endowment 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 7. Appropriation from treasure state endowment special revenue account for infrastructure planning grants. There is appropriated to the department of commerce \$900,000 for the biennium beginning July 1, 2019, from the treasure state endowment 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 8. Appropriation from treasure state endowment regional water system special revenue account. (1) There is appropriated \$5,000,000 to the department of natural resources and conservation for the biennium beginning July 1, 2019, 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 state'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, 2019.

(3) A regional water authority's receipt of funds is dependent on the authority's compliance with the conditions described in [section 10(1)].

(4) This section constitutes a valid obligation of funds to the regional water authorities identified 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, 2019, under 17-7-302.

Section 9. Approval of funds -- completion of appropriation. (1) The legislature, pursuant to 90-6-715, authorizes funds for the regional water authorities identified in [section 8(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)(b).

Section 10. Conditions -- manner of disbursement of funds. (1) The disbursement of funds under [sections 8 and 9] 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 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. Coordination instruction. 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 [section 2(2) of this act] that do not receive funding from the appropriations in [section 2(2) 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 4 of this act] and to the extent that there is appropriation authority available.

Section 13. Effective date. [This act] is effective July 1, 2019.

- END -

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

Speaker of the House

Signed this _____ day
of _____, 2019.

Chief Clerk of the House

President of the Senate

Signed this _____ day
of _____, 2019.

HOUSE BILL NO. 11

INTRODUCED BY J. KEANE

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

AN ACT 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 SYSTEM PROJECTS; 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; AND PROVIDING AN EFFECTIVE DATE.