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; AND PROVIDING AN EFFECTIVE DATE.

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

Section 1. Appropriations from treasure state endowment state special revenue account. (1) There is appropriated to the department of commerce $13,941,000 for the biennium beginning July 1, 2015, from the treasure state endowment state special revenue account to finance grants authorized by subsection (2).

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

<table>
<thead>
<tr>
<th>Other Infrastructure Applicant (project type)</th>
<th>Grant Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Fallon County Water and Sewer District</td>
<td>$680,000</td>
</tr>
<tr>
<td>(wastewater)</td>
<td></td>
</tr>
<tr>
<td>2. Polson, City of (wastewater)</td>
<td>$750,000</td>
</tr>
<tr>
<td>3. Harlowton, City of (water)</td>
<td>$750,000</td>
</tr>
<tr>
<td>4. Havre, City of (stormwater)</td>
<td>$500,000</td>
</tr>
<tr>
<td>5. Bainville, Town of (water)</td>
<td>$625,000</td>
</tr>
<tr>
<td>6. Crow Tribe of Indians (wastewater)</td>
<td>$750,000</td>
</tr>
<tr>
<td>7. East Clark Street Water and Sewer District</td>
<td></td>
</tr>
</tbody>
</table>
8. Whitefish, Town of (wastewater) $500,000
9. Hysham, Town of (water) $625,000
10. Big Sandy, Town of (water) $750,000
11. Roundup, City of (water) $500,000
12. Laurel, City of (water) $500,000
13. Terry, Town of (wastewater) $750,000
14. Fromberg, Town of (wastewater) $750,000
15. Upper/Lower River Road Water and Sewer District (water & wastewater) $340,000
16. Westby, Town of (wastewater) $625,000
17. Hot Springs, Town of (wastewater) $103,000
18. Glasgow, City of (water) $500,000
19. White Sulphur Springs, City of (wastewater) $750,000
20. Lewistown, City of (wastewater) $500,000
21. Greater Woods Bay Sewer District (wastewater) $750,000
22. Ten Mile Creek Estates/Pleasant Valley Sewer District (wastewater) $500,000
23. Thompson Falls, City of (water) $499,000
24. Butte-Silver Bow City/County (wastewater) $406,526
25. Flaxville, Town of (wastewater) $625,000
26. Conrad, City of (water) $500,000
27. Dillon, City of (water) $625,000

(3) Funding for the projects numbered 1 through 24 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 ending June 30, 2017. Funding for the projects will be made available in the order that the grant recipients satisfy the conditions described in [section 3(1)], the obligations to any remaining projects will cease. Projects numbered 25 though 27 listed in subsection (2) that have satisfied the conditions described in [section 3(1)] may receive grant funds only if one or more of the projects numbered 1 through 24 terminates its right to the awarded funds in writing prior to the end of the biennium ending June 30,
(4) There is appropriated to the department of commerce $3,988,000 for the biennium beginning July 1, 2015, from the treasure state endowment state special revenue account to finance grants authorized by subsection (5).

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

<table>
<thead>
<tr>
<th>Bridge Applicant</th>
<th>Grant Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hill County</td>
<td>$291,997</td>
</tr>
<tr>
<td>Custer County</td>
<td>$467,397</td>
</tr>
<tr>
<td>Sweet Grass County</td>
<td>$303,898</td>
</tr>
<tr>
<td>Yellowstone County</td>
<td>$648,476</td>
</tr>
<tr>
<td>Valley County</td>
<td>$494,108</td>
</tr>
<tr>
<td>Madison County</td>
<td>$750,000</td>
</tr>
<tr>
<td>Carbon County</td>
<td>$500,000</td>
</tr>
<tr>
<td>Fergus County</td>
<td>$337,594</td>
</tr>
<tr>
<td>Chouteau County</td>
<td>$207,184</td>
</tr>
</tbody>
</table>

(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 treasure state endowment state special revenue account funds during the biennium beginning July 1, 2015, 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.

(7) Funding for projects in subsections (2) and (5) 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, 2015. 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 subsections (2) and (5) that have not completed the conditions described in [section 3(1)] by September 30, 2016, 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 [sections 2 and 3] and described in the treasure state endowment program 2017 biennium report to the 64th 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 [sections 2 and 3] until the funds deposited into the treasure state endowment state special revenue account during the biennium beginning July 1, 2015, are expended.

(9) Grant recipients shall complete all of the conditions described in [section 3(1)] by September 30, 2018, 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(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 completes 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 2017 biennium report to the 64th 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, 2015, 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, 2015, 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 $3,259,761 to the department of natural resources and conservation for the biennium beginning July 1, 2015, 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, 2015.

(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, 2015, 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
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 House Bill No. 180 is not passed and approved with a continuation of the treasure state regional water system fund, then the appropriation to the department of natural resources and conservation in the treasure state endowment regional water system state special account of $3,259,761 provided in [section 7(1) of this act] is reduced to $1,190,000.

(2) If House Bill No. 180 is passed and approved with a continuation of the treasure state regional water system fund, then the appropriation to the department of natural resources and conservation in the treasure state endowment regional water system state special account of $3,259,761 provided in [section 7(1) of this act] is increased by $1 million, of which up to $441,848 may be granted to the Central Montana Regional Water Authority for the Musselshell-Judith Rural Water System Resources Monitoring project.

(3) If Senate Bill No. 416 is passed and approved providing the opportunity for local governments who had submitted grant requests to the department of commerce within the last 2 years but did not receive approval...
by the legislature to resubmit their grant request, then grants numbered 25 through 27 in [section 1(2)] are
stricken and legislative project approval is withdrawn.

Section 12. Effective date. [This act] is effective July 1, 2015.

- 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 ______________________, 2015.

______________________________

President of the Senate

Signed this _______________ day
of ______________________, 2015.
HOUSE BILL NO. 11
INTRODUCED BY M. CUFFE

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; AND PROVIDING AN EFFECTIVE DATE.