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HOUSE BILL NO. 11
INTRODUCED BY J. FITZPATRICK
BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY FROM THE MONTANA COAL ENDOWMENT SPECIAL REVENUE ACCOUNT TO THE DEPARTMENT OF COMMERCE FOR INFRASTRUCTURE PROJECTS, EMERGENCY GRANTS FOR FINANCIAL ASSISTANCE TO LOCAL GOVERNMENTS, AND INFRASTRUCTURE PLANNING GRANTS; AUTHORIZING GRANTS FROM THE MONTANA COAL ENDOWMENT SPECIAL REVENUE ACCOUNT; PLACING CONDITIONS ON GRANTS AND FUNDS; APPROPRIATING MONEY FROM THE MONTANA COAL ENDOWMENT REGIONAL WATER SYSTEM SPECIAL REVENUE ACCOUNT TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR FINANCIAL ASSISTANCE TO REGIONAL WATER AUTHORITIES FOR REGIONAL WATER SYSTEM PROJECTS; AND PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION. Section 1. Appropriation for Montana coal endowment program grants. (1)

There is appropriated \$23,843,500 from the Montana coal endowment special revenue account established in 17-5-703(3)(a) to the department of commerce for the biennium beginning July 1, 2023, to finance Montana coal endowment program grants authorized by subsection (2).

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

Infrastructure Applicant (project type)	Grant Amount
1. Cascade, Town of (wastewater)	\$625,000
2. Havre, City of (water)	\$500,000
3. Dodson, Town of (water)	\$500,000
4. Thompson Falls, City of (water)	\$750,000
5. Twin Bridges, Town of (water)	\$750,000

1	6.	Dutton, Town of (water)	\$625,000
2	7.	Geraldine, Town of (water)	\$500,000
3	8.	Wolf Point, City of (wastewater)	\$625,000
4	9.	Forsyth, City of (water)	\$500,000
5	10.	Saco, Town of (wastewater)	\$500,000
6	11.	Troy, City of (water)	\$750,000
7	12.	Choteau, City of (water)	\$625,000
8	13.	Craig County Water & Sewer District (wastewater)	\$400,000
9	14.	Red Lodge, City of (wastewater)	\$500,000
10	15.	Superior, Town of (wastewater)	\$750,000
11	16.	Libby, City of (wastewater)	\$460,000
12	17.	Corvallis Sewer District (wastewater)	\$500,000
13	18.	Shelby, City of (wastewater)	\$444,500
14	19.	Hot Springs, Town of (wastewater)	\$750,000
15	20.	Hideaway Community Co. Water & Sewer District (wastewater)	
16			\$750,000
17	21.	Belt, Town of (water)	\$500,000
18	22.	Bigfork Water & Sewer District (wastewater)	\$500,000
19	23.	Martinsdale Water & Sewer (water)	\$750,000
20	24.	Victor Water & Sewer District (wastewater)	\$500,000
21	25.	Cooke Pass, Cooke City, Silvergate Co. Sewer District (wastewater)	
22			\$750,000
23	26.	Absarokee Water & Sewer District (water)	\$500,000
24	27.	Boulder, City of (water)	\$500,000
25	28.	Richey, Town of (water)	\$500,000
26	29.	Circle, Town of (water)	\$625,000
27	30.	Kalispell, City of (water/wastewater)	\$750,000
28	31.	Lockwood Water & Sewer District (water)	\$750,000

1	32.	Philipsburg, Town of (water)	\$625,000
2	33.	Chester, Town of (wastewater)	\$500,000
3	34.	Hingham, Town of (wastewater)	\$750,000
4	35.	Black Eagle-Cascade Co. Water & Sewer District (wastewater)	
5			\$414,000
6	36.	Denton, Town of (wastewater)	\$500,000
7	37.	Drummond, Town of (wastewater)	\$500,000
8	38.	Gallatin Canyon County Water & Sewer District (wastewater)	
9			\$750,000
10	39.	Townsend, City of (water)	\$750,000
11	40.	Sunburst, Town of (wastewater)	\$625,000

12 (3) There is appropriated \$6,176,213 from the Montana coal endowment special revenue account
 13 established in 17-5-703(3)(a) to the department of commerce for the biennium beginning July 1, 2023, to
 14 finance Montana coal endowment program grants authorized by subsection (4).

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

	Bridge Applicant	Grant Amount
17		
18	1. Beaverhead County	\$750,000
19	2. Yellowstone County	\$750,000
20	3. Lewis & Clark County	\$379,930
21	4. Big Horn County	\$500,000
22	5. Park County	\$299,622
23	6. Gallatin County	\$750,000
24	7. Broadwater County	\$750,000
25	8. Petroleum County	\$465,300
26	9. Wibaux County	\$691,350
27	10. Madison County	\$499,461
28	11. Stillwater County	\$340,550

1 (5) If sufficient funds are available, this section constitutes a valid obligation of funds to the grant
 2 recipients listed in subsections (2) and (4) for the purposes of encumbering the funds in the Montana coal
 3 endowment special revenue account established in 17-5-703(3)(a) for the biennium beginning July 1, 2023,
 4 pursuant to 17-7-302. However, a grant recipient's entitlement to receive funds is dependent on the grant
 5 recipient's compliance with the conditions described in [section 3(1)] and on the availability of funds.

6 (6) Any of the projects listed in subsections (2) and (4) that have not completed the conditions
 7 described in [section 3(1)] by September 1, 2024, must be reviewed by the next regular legislature to determine
 8 if the authorized grant should be withdrawn.

9 (7) The funds appropriated in this section must be used by the department to make grants to the
 10 government entities listed in subsections (2) and (4) for the described purposes and in amounts not to exceed
 11 the amounts set out in subsections (2) and (4). The grants authorized in this section are subject to the
 12 conditions set forth in [section 3(1)] and described in the Montana coal endowment program 2025 biennium
 13 project funding recommendations to the 68th legislature. The legislature, pursuant to 90-6-710, authorizes the
 14 grants for the projects listed in subsections (2) and (4). The department shall commit funds to projects listed in
 15 subsections (2) and (4), up to the amounts authorized, based on the manner of disbursement set forth in
 16 [section 3] until the funds deposited in the Montana coal endowment special revenue account established in 17-
 17 5-703(3)(a) during the biennium beginning July 1, 2023, are expended.

18 (8) Grant recipients shall complete all of the conditions described in [section 3(1)] by September
 19 30, 2026, or any obligation to the grant recipient will cease.

20
 21 NEW SECTION. Section 2. Approval of grants -- completion of biennial appropriation. (1) The
 22 legislature, pursuant to 90-6-701, authorizes grants for the projects identified in [section 1(2) and (4)], the
 23 emergency infrastructure grants in [section 5], and the infrastructure planning grants in [section 6].

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

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

27
 28 NEW SECTION. Section 3. Condition of grants -- disbursements of funds. (1) The disbursement

1 of grant funds for the projects specified in [section 1(2) and (4)] is subject to completion of the following
2 conditions:

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

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

7 (c) The grant recipient must be in compliance with the auditing and reporting requirements
8 provided for in 2-7-503 and have established a financial accounting system that the department can reasonably
9 ensure conforms to generally accepted accounting principles. Tribal governments shall comply with auditing
10 and reporting requirements provided for in 2 CFR 200.

11 (d) The grant recipient shall satisfactorily comply with any conditions described in the application's
12 project summaries section of the Montana coal endowment program 2025 biennium project funding
13 recommendations to the 68th legislature.

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

17 (f) Pursuant to 90-6-710(6), the grant recipient shall comply with all Montana coal endowment
18 program requirements as determined by the department of commerce in order to qualify for reimbursement of
19 project expenses.

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

21 (2) With the exception of bridges, all projects must adhere to the design standards required by the
22 department of environmental quality. Recipients of Montana coal endowment program funds that are not
23 subject to the department of environmental quality design standards shall adhere to generally accepted industry
24 standards, such as Recommended Standards for Wastewater Facilities or Recommended Standards for Water
25 Works, published by the Great Lakes-Upper Mississippi River board of state and provincial public health and
26 environmental managers, latest edition.

27 (3) Recipients of Montana coal endowment program funds are subject to the requirements of the
28 department of commerce as described in the most recent edition of the Montana Coal Endowment Program

1 Project Administration Manual adopted by the department through the administrative rulemaking process.

2

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

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

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

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

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

17

18 **NEW SECTION. Section 5. Appropriation from Montana coal endowment special revenue**
19 **account for emergency grants.** There is appropriated \$100,000 from the Montana coal endowment special
20 revenue account to the department of commerce for the biennium beginning July 1, 2023, for the purpose of
21 providing local governments, as defined in 90-6-701, with emergency grants for infrastructure projects, as
22 defined in 90-6-701.

23

24 **NEW SECTION. Section 6. Appropriation from Montana coal endowment special revenue**
25 **account for infrastructure planning grants.** There is appropriated \$900,000 from the Montana coal
26 endowment special revenue account to the department of commerce for the biennium beginning July 1, 2023,
27 for the purpose of providing local governments, as defined in 90-6-701, with the infrastructure planning grants
28 for infrastructure projects, as defined in 90-6-701.

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2 NEW SECTION. Section 7. Appropriation from Montana coal endowment regional water system
 3 **special revenue account.** (1) There is appropriated \$7 million from the Montana coal endowment regional
 4 water system special revenue account to the department of natural resources and conservation for the
 5 biennium beginning July 1, 2023, to finance the state's share of regional water system projects authorized in
 6 subsection (2) and as set forth in 90-6-715.

7 (2) The state's four regional water authorities are authorized to receive the funds appropriated in
 8 subsection (1) as long as there are sufficient funds available from the amount that was deposited in the
 9 Montana coal endowment regional water system special revenue account during the biennium beginning July 1,
 10 2023.

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

13 (4) This section constitutes a valid obligation of funds to the regional water authorities identified in
 14 subsection (2) for the purposes of encumbering the funds in the Montana coal endowment regional water
 15 system special revenue account received during the biennium beginning July 1, 2023, under 17-7-302.

16

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

19 (2) The authorization of these funds completes an appropriation from the Montana coal
 20 endowment regional water system special revenue account provided for in 17-5-703(3)(b).

21

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

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

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

28 (c) The regional water authority shall establish a financial accounting system that the department

1 can reasonably ensure conforms to generally accepted accounting principles.

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

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

6
7 **NEW SECTION. Section 10. Notification to tribal governments.** The secretary of state shall send a
8 copy of [this act] to each federally recognized tribal government in Montana.

9
10 **NEW SECTION. Section 11. Effective date.** [This act] is effective July 1, 2023.

11 - END -