

HOUSE BILL NO. 507  
INTRODUCED BY CONNELLY  
BY REQUEST OF THE LONG-RANGE PLANNING SUBCOMMITTEE

IN THE HOUSE

JANUARY 31, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON APPROPRIATIONS.
FEBRUARY 1, 1989	FIRST READING.
MARCH 17, 1989	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
MARCH 18, 1989	PRINTING REPORT.
MARCH 20, 1989	SECOND READING, DO PASS AS AMENDED.
MARCH 21, 1989	ENGROSSING REPORT.
MARCH 22, 1989	THIRD READING, PASSED. AYES, 81; NOES, 16.
	TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 22, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON FINANCE & CLAIMS.
	FIRST READING.
APRIL 10, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
APRIL 11, 1989	SECOND READING, CONCURRED IN.
APRIL 13, 1989	THIRD READING, CONCURRED IN. AYES, 45; NOES, 1.
	RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

APRIL 15, 1989

RECEIVED FROM SENATE.

SECOND READING, AMENDMENTS  
CONCURRED IN.

APRIL 17, 1989

THIRD READING, AMENDMENTS  
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *House* BILL NO. *507*  
2 INTRODUCED BY *Connelly*  
3 BY REQUEST OF THE LONG-RANGE PLANNING SUBCOMMITTEE  
4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAWS  
6 GOVERNING ADMINISTRATION OF THE CULTURAL AND AESTHETIC  
7 PROJECTS GRANTS PROGRAM; ESTABLISHING PRIORITIES FOR GRANT  
8 AWARDS; APPROPRIATING MONEY FOR CULTURAL AND AESTHETIC  
9 GRANTS; AMENDING SECTIONS 22-2-306 AND 22-2-309, MCA; AND  
10 PROVIDING AN EFFECTIVE DATE."  
11

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

13 **Section 1.** Section 22-2-306, MCA, is amended to read:

14 **"22-2-306. Grant conditions -- additional funds --**  
15 **accounts and reports.** (1) No A grant may not be awarded  
16 unless the grantee accepts the Montana arts council's  
17 conditions of the grant and signs a contract stipulating  
18 those conditions.

19 (2) A grantee must agree in writing that:

20 (a) the grantee is the official and sole agency for  
21 the administration of the project described in the grant  
22 agreement; and

23 (b) no person will, on the grounds of race, color,  
24 national origin, sex, or age, be excluded from participation  
25 in, be denied the benefits of, or be subjected to

1 discrimination under any program or activity that results  
2 from the expenditure of grant funds.

3 (3) The grantee must agree that the funds granted will  
4 be expended solely for the purpose and activities described  
5 in the approved proposal. All funds granted to the grantee  
6 must be spent or encumbered during the grant period.

7 (4) Disbursements to grantees must be as follows,  
8 based upon the cash flow needs of the projects and the  
9 revenues available:

10 (a) Projects that are to receive more than \$10,000 may  
11 receive an amount not exceeding 25% of the grant award in  
12 the first 6 months of the biennium, 50% in the first year of  
13 the biennium, 75% in the first 18 months of the biennium,  
14 and the balance in the remainder of the biennium. Within  
15 such the limitations contained in this subsection, the  
16 amount of each payment must be determined by the Montana  
17 arts council in its discretion. Each payment may be made  
18 only after an examination of the costs incurred in the  
19 project and the amount, if any, of the unencumbered or  
20 unexpended balance of prior grant payments for the project.

21 (b) Projects that are to receive \$10,000 or less may  
22 receive the total grant in any fiscal quarter if the Montana  
23 arts council determines that the cultural and aesthetic  
24 project account has funds available and that, after an  
25 examination of the costs incurred by the project, total

1 payment is appropriate.

2 (c) A grant award budget may be modified in accordance  
3 with this subsection. A grantee may modify line items in an  
4 approved budget in an amount not to exceed 10% of the total  
5 grant award. A grantee may, with permission of the Montana  
6 arts council, modify line items in an approved budget in an  
7 amount not to exceed 20% of the total grant award. ~~No such A~~  
8 modification may not increase the grant award or change the  
9 scope or purpose of the award.

10 (5) The grantee must maintain accounts, records, and  
11 other pertinent material pertaining to the costs incurred  
12 and expenditures made under the grant. The system of  
13 accounting employed by the grantee must be in accordance  
14 with generally accepted accounting principles and be applied  
15 in a consistent manner so that project costs and  
16 expenditures can be clearly identified. Accounts, records,  
17 and other pertinent material must be maintained for 3 years  
18 from the official termination date of the grant period or  
19 until an audit, approved by the council, has been completed  
20 and any questions arising from the audit have been resolved  
21 to the satisfaction of the council.

22 (6) Grantees must submit to the council semiannual  
23 reports of expenditures during the course of the project and  
24 ~~such other financial and descriptive reports as that~~ the  
25 council may require. The grantee must submit, within 30

1 days after completion of the project, a final financial  
2 report and a narrative report stating what was accomplished  
3 with the grant. Five percent of the total grant award must  
4 be held pending receipt of final reports by the council.  
5 With regard to grantees who in the past have submitted late  
6 reports, 30% of the grant award may be held pending receipt  
7 of final reports by the council.

8 (7) The council may, at the principal place of  
9 business of the grantee and during regular business hours,  
10 examine any directly pertinent records, accounts, and  
11 documents of the grantee involving transactions related to  
12 the grant."

13 **Section 2.** Section 22-2-309, MCA, is amended to read:

14 **"22-2-309. Grant categories.** (1) The following  
15 categories are established for grant funds:

16 (a) special projects which are specific cultural and  
17 aesthetic activities, services, or events of limited  
18 duration;

19 (b) operational support for cultural institutions that  
20 have been in existence for at least 2 years and whose  
21 budgets reflect only the cost of continuing their current  
22 program;

23 (c) capital expenditures for acquisition,  
24 construction, or renovation of facilities; and

25 (d) challenge grants for permanent endowments to

1 benefit cultural nonprofit grant recipients.

2 (2) The Montana arts council may require a match in  
3 cash or donated services for special project and operational  
4 support grants. There is a presumption that the match must  
5 represent \$1 in value for each dollar of the grant. The  
6 Montana arts council may accept matches in excess of the  
7 presumed value or may in its discretion require a lesser  
8 amount.

9 (3) Capital expenditures may not exceed 25% of the  
10 total grant funds appropriated. Capital expenditure grants  
11 require a match of at least \$3 in cash or donated goods and  
12 services, which goods and services must be donated  
13 specifically for the capital expenditure project, to receive  
14 each dollar of grant funds.

15 (4) Challenge grants require a match of at least \$3 in  
16 cash or irrevocable planned or deferred gifts to receive  
17 each dollar of grant funds. Challenge grants are available  
18 upon meeting the specified match. Not less than one-third  
19 of the specified match must be in cash. Not more than  
20 one-third of the match may be in wills, devises, and  
21 bequests, and paid-up life insurance policies. A devise may  
22 include retention of an irrevocable life estate by the  
23 donor."

24 NEW SECTION. **Section 3.** Appropriation of cultural and  
25 aesthetic grant funds - priority of disbursement. (1) The

1 Montana arts council shall disburse money appropriated by  
2 [this act] with priority given to subsection (2), followed  
3 by subsections (3) and (4), respectively. The Montana arts  
4 council shall include in the award contract under this  
5 section a statement binding the grant to any contingencies  
6 established in the recommendations of the cultural and  
7 aesthetic projects advisory committee submitted to the  
8 legislature under 22-2-302 or any other contingencies as  
9 modified by the long-range planning subcommittee and as  
10 reflected in the official minutes of the subcommittee.

11 (2) If the funds in the cultural and aesthetic  
12 projects account were insufficient in the biennium ending  
13 June 30, 1989, to fund projects in the amount for which they  
14 were appropriated, the funds for the projects are  
15 reappropriated from the account until funds have been  
16 disbursed to fully cover appropriations or until October 1,  
17 1990, whichever comes first.

18 (3) The following projects are approved and amounts  
19 appropriated to the Montana arts council for the biennium  
20 ending June 30, 1991, from the cultural and aesthetic  
21 projects account:

22 Project	Amount
23 Shakespeare in the Parks	\$ 15,000
24 Billings Symphony Society	15,000
25 Helena Film Society	50,000

LC 1710/01

1	Oral History Office	70,000
2	Yellowstone Art Center	50,000
3	Parmly Billings Library Foundation	25,000
4	Paris Gibson Square	30,000
5	Missoula Children's Theatre	20,000
6	U of M School of Fine Arts	40,000
7	MT Community Foundation	50,000
8	Custer County Art Center	12,000
9	Young Audiences of Western MT	15,000
10	Alberta Bair Theatre	30,000
11	Montana Performing Arts Cnsrt	25,000
12	Great Falls Symphony Assn.	9,500
13	Western Heritage Center	15,000
14	Vigilante Players, Inc.	13,000
15	Hockaday Center for the Arts	15,000
16	Helena Film Society	10,000
17	Montana Inst. of the Arts Fndn	15,000
18	Shakespeare in the Parks	30,000
19	Missoula Children's Theatre	15,000
20	Montana Art Gallery Dir. Assoc.	25,000
21	Hockaday Center for the Arts	25,000
22	Paris Gibson Square	10,000
23	Helena Arts Council	30,000
24	Yellowstone Chamber Players	8,000
25	Garnet Preservation Assoc.	14,500

LC 1710/01

1	KUSM Public Television	20,000
2	Hellgate Writers, Inc.	13,700
3	Fort Peck Fine Arts Council	20,000
4	Montanans for Quality TV	15,000
5	Museum of the Rockies	25,000
6	Billings Preservation Society	10,000
7	Aleph Movement Theatre	8,000
8	Watershed Foundation	15,000
9	MSU Media & Theatre Arts Dept.	20,000
10	Northern Lights Institute	9,600
11	Montana Assn. of Symphony Orch.	4,500
12	Daly Mansion Preserv. Trust	25,000
13	Red Lodge Music Festival	10,000
14	Bigfork Center for Perf. Arts	9,000
15	Montana Folklife Project	50,000
16	KEMC Radio	10,000
17	U of M School of Fine Arts	20,000
18	Helena Arts Council	10,000
19	Copper Village Museum	11,000
20	KUFM Radio	10,000
21	Montana Repertory Theatre	25,000
22	Wibaux County Museum Board	3,784
23	Montana Ballet Company	8,500
24	Bigfork Center for the Perf. Arts Fdn.	15,000
25	Garden City Ballet	7,500

1	Montana Dance Arts Assn.	5,000
2	Helena Symphony Society	10,000
3	Montana State Theatre Assn.	5,000
4	MT Indian Art & Culture Assoc.	10,000
5	Fox Committee for the Perf. Arts	10,000
6	Montana Fish, Wildlife & Parks	2,000
7	Growth Thru Art, Inc.	10,000
8	Dillon Jr. Fiddlers Assoc.	9,000
9	Stillwater Historical Society	5,500
10	Ikebana International	1,500
11	Polson City Library	2,000
12	St. Vincent Hospital	6,630
13	Huntley Project Museum	1,000
14	Huntley Project Museum	440
15	Libby MIA Writers Group	1,500
16	Broadway 215	2,000
17	Bigfork Art & Cultural Center	3,000

18       (4) An amount not to exceed \$10,400 is appropriated to  
 19 the Montana arts council for project evaluations from any  
 20 funds that revert from the projects subject to the  
 21 appropriations in subsection (3). The evaluations must be  
 22 done after July 1, 1990, for the purpose of preparing a  
 23 report on the projects for the 52nd legislature.

24       NEW SECTION. **Section 4. Reversion of granted funds.**

25       (1) On October 1, 1990, all project funds reappropriated

1 from the 1989 biennium, but not disbursed, must revert to  
 2 the cultural and aesthetic projects account provided for in  
 3 15-35-108. If the funds in the cultural and aesthetic  
 4 project account are insufficient to fund projects at the  
 5 appropriation levels in [section 3(3)], the Montana arts  
 6 council shall allocate the available funds on a pro rata  
 7 basis to the authorized projects.

8       (2) On July 1, 1991, any unencumbered balance of the  
 9 1991 biennium grants must revert to the cultural and  
 10 aesthetic projects account provided for in 15-35-108.

11       NEW SECTION. **Section 5. Effective date.** [This act] is  
 12 effective July 1, 1989.

-End-

APPROVED BY COMMITTEE  
ON APPROPRIATIONS

HOUSE BILL NO. 507

INTRODUCED BY CONNELLY

BY REQUEST OF THE LONG-RANGE PLANNING SUBCOMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAWS GOVERNING ADMINISTRATION OF THE CULTURAL AND AESTHETIC PROJECTS GRANTS PROGRAM; ESTABLISHING PRIORITIES FOR GRANT AWARDS; APPROPRIATING MONEY FOR CULTURAL AND AESTHETIC GRANTS; AMENDING SECTIONS 22-2-306 AND 22-2-309, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

**Section 1.** Section 22-2-306, MCA, is amended to read:

"22-2-306. Grant conditions -- additional funds -- accounts and reports. (1) No A grant may not be awarded unless the grantee accepts the Montana arts council's conditions of the grant and signs a contract stipulating those conditions.

(2) A grantee must agree in writing that:

(a) the grantee is the official and sole agency for the administration of the project described in the grant agreement; and

(b) no person will, on the grounds of race, color, national origin, sex, or age, be excluded from participation in, be denied the benefits of, or be subjected to

discrimination under any program or activity that results from the expenditure of grant funds.

(3) The grantee must agree that the funds granted will be expended solely for the purpose and activities described in the approved proposal. All funds granted to the grantee must be spent or encumbered during the grant period.

(4) Disbursements to grantees must be as follows, based upon the cash flow needs of the projects and the revenues available:

(a) Projects that are to receive more than \$10,000 may receive an amount not exceeding 25% of the grant award in the first 6 months of the biennium, 50% in the first year of the biennium, 75% in the first 18 months of the biennium, and the balance in the remainder of the biennium. Within such the limitations contained in this subsection, the amount of each payment must be determined by the Montana arts council in its discretion. Each payment may be made only after an examination of the costs incurred in the project and the amount, if any, of the unencumbered or unexpended balance of prior grant payments for the project.

(b) Projects that are to receive \$10,000 or less may receive the total grant in any fiscal quarter if the Montana arts council determines that the cultural and aesthetic project account has funds available and that, after an examination of the costs incurred by the project, total



1 payment is appropriate.

2 (c) A grant award budget may be modified in accordance  
3 with this subsection. A grantee may modify line items in an  
4 approved budget in an amount not to exceed 10% of the total  
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17 and other pertinent material must be maintained for 3 years  
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19 until an audit, approved by the council, has been completed  
20 and any questions arising from the audit have been resolved  
21 to the satisfaction of the council.

22 (6) Grantees must submit to the council semiannual  
23 reports of expenditures during the course of the project and  
24 such other financial and descriptive reports as that the  
25 council may require. The grantee must submit, within 30

1 days after completion of the project, a final financial  
2 report and a narrative report stating what was accomplished  
3 with the grant. Five percent of the total grant award must  
4 be held pending receipt of final reports by the council.  
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6 reports, 30% of the grant award may be held pending receipt  
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8 (7) The council may, at the principal place of  
9 business of the grantee and during regular business hours,  
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11 documents of the grantee involving transactions related to  
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13 **Section 2.** Section 22-2-309, MCA, is amended to read:

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15 categories are established for grant funds:

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17 aesthetic activities, services, or events of limited  
18 duration;

19 (b) operational support for cultural institutions that  
20 have been in existence for at least 2 years and whose  
21 budgets reflect only the cost of continuing their current  
22 program;

23 (c) capital expenditures for acquisition,  
24 construction, or renovation of facilities; and

25 (d) challenge grants for permanent endowments to

benefit cultural nonprofit grant recipients.

(2) The Montana arts council may require a match in cash or donated services for special project and operational support grants. There is a presumption that the match must represent \$1 in value for each dollar of the grant. The Montana arts council may accept matches in excess of the presumed value or may in its discretion require a lesser amount.

(3) Capital expenditures may not exceed 25% of the total grant funds appropriated. Capital expenditure grants require a match of at least \$3 in cash or donated goods and services, which goods and services must be donated specifically for the capital expenditure project, to receive each dollar of grant funds.

(4) Challenge grants require a match of at least \$3 in cash or irrevocable planned or deferred gifts to receive each dollar of grant funds. Challenge grants are available upon meeting the specified match. Not less than one-third of the specified match must be in cash. Not more than one-third of the match may be in wills, devises, and bequests, and paid-up life insurance policies. A devise may include retention of an irrevocable life estate by the donor."

**NEW SECTION. Section 3.** Appropriation of cultural and aesthetic grant funds -- priority of disbursement. (1) The

Montana arts council shall disburse money appropriated by [this act] with priority given to subsection (2), followed by subsections (3) and (4), respectively. The Montana arts council shall include in the award contract under this section a statement binding the grant to any contingencies established in the recommendations of the cultural and aesthetic projects advisory committee submitted to the legislature under 22-2-302 or any other contingencies as modified by the long-range planning subcommittee and as reflected in the official minutes of the subcommittee.

(2) If the funds in the cultural and aesthetic projects account were insufficient in the biennium ending June 30, 1989, to fund projects in the amount for which they were appropriated, the funds for the projects are reappropriated from the account until funds have been disbursed to fully cover appropriations or until October 1, 1990, whichever comes first.

(3) The following projects are approved and amounts appropriated to the Montana arts council for the biennium ending June 30, 1991, from the cultural and aesthetic projects account:

Project	Amount
Shakespeare in the Parks	\$ 15,000
Billings Symphony Society	15,000
Helena Film Society	50,000

1	Oral History Office	70,000
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24	Yellowstone Chamber Players	8,000
25	Garnet Preservation Assoc.	14,500

1		<u>10,000</u>
2	KUSM Public Television	20,000
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19	<u>CASCADE COUNTY ARTIST SPEAK</u>	<u>7,500</u>

20 (4) An amount not to exceed \$10,400 is appropriated to  
 21 the Montana arts council for project evaluations from any  
 22 funds that revert from the projects subject to the  
 23 appropriations in subsection (3). The evaluations must be  
 24 done after July 1, 1990, for the purpose of preparing a  
 25 report on the projects for the 52nd legislature.

1 (5) ANY FUNDS THAT REVERT FROM THE PROJECTS SUBJECT TO  
 2 THE APPROPRIATIONS IN SUBSECTION (3) MAY BE USED TO INCREASE  
 3 THE GRANT TO THE STILLWATER HISTORICAL SOCIETY UP TO A  
 4 MAXIMUM OF \$9,000.

5 NEW SECTION. Section 4. Reversion of granted funds.  
 6 (1) On October 1, 1990, all project funds reappropriated  
 7 from the 1989 biennium, but not disbursed, must revert to  
 8 the cultural and aesthetic projects account provided for in  
 9 15-35-108. If the funds in the cultural and aesthetic  
 10 project account are insufficient to fund projects at the  
 11 appropriation levels in [section 3(3)], the Montana arts  
 12 council shall allocate the available funds on a pro rata  
 13 basis to the authorized projects.

14 (2) On July 1, 1991, any unencumbered balance of the  
 15 1991 biennium grants must revert to the cultural and  
 16 aesthetic projects account provided for in 15-35-108.

17 NEW SECTION. Section 5. Effective date. [This act] is  
 18 effective July 1, 1989.

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3 BY REQUEST OF THE LONG-RANGE PLANNING SUBCOMMITTEE

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5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAWS  
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9 GRANTS; AMENDING SECTIONS 22-2-306 AND 22-2-309, MCA; AND  
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19 (2) A grantee must agree in writing that:

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21 the administration of the project described in the grant  
22 agreement; and

23 (b) no person will, on the grounds of race, color,  
24 national origin, sex, or age, be excluded from participation  
25 in, be denied the benefits of, or be subjected to

1 discrimination under any program or activity that results  
2 from the expenditure of grant funds.

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4 be expended solely for the purpose and activities described  
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6 must be spent or encumbered during the grant period.

7 (4) Disbursements to grantees must be as follows,  
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12 the first 6 months of the biennium, 50% in the first year of  
13 the biennium, 75% in the first 18 months of the biennium,  
14 and the balance in the remainder of the biennium. Within  
15 such the limitations contained in this subsection, the  
16 amount of each payment must be determined by the Montana  
17 arts council in its discretion. Each payment may be made  
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22 receive the total grant in any fiscal quarter if the Montana  
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1 payment is appropriate.

2 (c) A grant award budget may be modified in accordance  
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5 grant award. A grantee may, with permission of the Montana  
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7 amount not to exceed 20% of the total grant award. No such A  
8 modification may not increase the grant award or change the  
9 scope or purpose of the award.

10 (5) The grantee must maintain accounts, records, and  
11 other pertinent material pertaining to the costs incurred  
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17 and other pertinent material must be maintained for 3 years  
18 from the official termination date of the grant period or  
19 until an audit, approved by the council, has been completed  
20 and any questions arising from the audit have been resolved  
21 to the satisfaction of the council.

22 (6) Grantees must submit to the council semiannual  
23 reports of expenditures during the course of the project and  
24 such other financial and descriptive reports as that the  
25 council may require. The grantee must submit, within 30

1 days after completion of the project, a final financial  
2 report and a narrative report stating what was accomplished  
3 with the grant. Five percent of the total grant award must  
4 be held pending receipt of final reports by the council.  
5 With regard to grantees who in the past have submitted late  
6 reports, 30% of the grant award may be held pending receipt  
7 of final reports by the council.

8 (7) The council may, at the principal place of  
9 business of the grantee and during regular business hours,  
10 examine any directly pertinent records, accounts, and  
11 documents of the grantee involving transactions related to  
12 the grant."

13 **Section 2.** Section 22-2-309, MCA, is amended to read:

14 "22-2-309. Grant categories. (1) The following  
15 categories are established for grant funds:

16 (a) special projects which are specific cultural and  
17 aesthetic activities, services, or events of limited  
18 duration;

19 (b) operational support for cultural institutions that  
20 have been in existence for at least 2 years and whose  
21 budgets reflect only the cost of continuing their current  
22 program;

23 (c) capital expenditures for acquisition,  
24 construction, or renovation of facilities; and

25 (d) challenge grants for permanent endowments to

1 benefit cultural nonprofit grant recipients.

2 (2) The Montana arts council may require a match in  
3 cash or donated services for special project and operational  
4 support grants. There is a presumption that the match must  
5 represent \$1 in value for each dollar of the grant. The  
6 Montana arts council may accept matches in excess of the  
7 presumed value or may in its discretion require a lesser  
8 amount.

9 (3) Capital expenditures may not exceed 25% of the  
10 total grant funds appropriated. Capital expenditure grants  
11 require a match of at least \$3 in cash or donated goods and  
12 services, which goods and services must be donated  
13 specifically for the capital expenditure project, to receive  
14 each dollar of grant funds.

15 (4) Challenge grants require a match of at least \$3 in  
16 cash or irrevocable planned or deferred gifts to receive  
17 each dollar of grant funds. Challenge grants are available  
18 upon meeting the specified match. Not less than one-third  
19 of the specified match must be in cash. Not more than  
20 one-third of the match may be in wills, devises, and  
21 bequests, and paid-up life insurance policies. A devise may  
22 include retention of an irrevocable life estate by the  
23 donor."

24 **NEW SECTION. Section 3. Appropriation of cultural and**  
25 **aesthetic grant funds -- priority of disbursement. (1) The**

1 Montana arts council shall disburse money appropriated by  
2 [this act] with priority given to subsection (2), followed  
3 by subsections (3) and (4), respectively. The Montana arts  
4 council shall include in the award contract under this  
5 section a statement binding the grant to any contingencies  
6 established in the recommendations of the cultural and  
7 aesthetic projects advisory committee submitted to the  
8 legislature under 22-2-302 or any other contingencies as  
9 modified by the long-range planning subcommittee and as  
10 reflected in the official minutes of the subcommittee.

11 (2) If the funds in the cultural and aesthetic  
12 projects account were insufficient in the biennium ending  
13 June 30, 1989, to fund projects in the amount for which they  
14 were appropriated, the funds for the projects are  
15 reappropriated from the account until funds have been  
16 disbursed to fully cover appropriations or until October 1,  
17 1990, whichever comes first.

18 (3) The following projects are approved and amounts  
19 appropriated to the Montana arts council for the biennium  
20 ending June 30, 1991, from the cultural and aesthetic  
21 projects account:

22 Project	Amount
23 Shakespeare in the Parks	\$ 15,000
24 Billings Symphony Society	15,000
25 Helena Film Society	50,000

1	Oral History Office	70,000
2	Yellowstone Art Center	50,000
3	Parmly Billings Library Foundation	25,000
4	Paris Gibson Square	30,000
5	Missoula Children's Theatre	20,000
6	U of M School of Fine Arts	40,000
7	MT Community Foundation	50,000
8	Custer County Art Center	12,000
9	Young Audiences of Western MT	15,000
10	Alberta Bair Theatre	30,000
11	Montana Performing Arts Cnsrt	25,000
12	Great Falls Symphony Assn.	9,500
13	Western Heritage Center	15,000
14	Vigilante Players, Inc.	13,000
15	Hockaday Center for the Arts	15,000
16	Helena Film Society	10,000
17	Montana Inst. of the Arts Fndn	15,000
18	Shakespeare in the Parks	30,000
19	Missoula Children's Theatre	15,000
20	Montana Art Gallery Dir. Assoc.	25,000
21	Hockaday Center for the Arts	25,000
22	Paris Gibson Square	10,000
23	Helena Arts Council	30,000
24	Yellowstone Chamber Players	8,000
25	Garnet Preservation Assoc.	14,500

1		<u>10,000</u>
2	KUSM Public Television	20,000
3	Hellgate Writers, Inc.	13,700
4	Fort Peck Fine Arts Council	20,000
5	Montanans for Quality TV	15,000
6	Museum of the Rockies	25,000
7	Billings Preservation Society	10,000
8	Aleph Movement Theatre	8,000
9	Watershed Foundation	15,000
10	MSU Media & Theatre Arts Dept.	20,000
11	Northern Lights Institute	9,600
12	Montana Assn. of Symphony Orch.	4,500
13	Daly Mansion Preserv. Trust	25,000
14	Red Lodge Music Festival	10,000
15	Bigfork Center for Perf. Arts	9,000
16	Montana Folklife Project	50,000
17	KEMC Radio	<del>10,000</del> <u>20,000</u>
18	U of M School of Fine Arts	20,000
19	Helena Arts Council	10,000
20	Copper Village Museum	11,000
21	KUFM Radio	<del>10,000</del> <u>20,000</u>
22	Montana Repertory Theatre	25,000
23	Wibaux County Museum Board	3,784
24	Montana Ballet Company	8,500
25	Bigfork Center for the Perf. Arts Fdn.	15,000



1	Garden City Ballet	7,500
2	Montana Dance Arts Assn.	5,000
3	Helena Symphony Society	10,000
4	Montana State Theatre Assn.	5,000
5	MT Indian Art & Culture Assoc.	10,000
6	Fox Committee for the Perf. Arts	10,000
7	Montana Fish, Wildlife & Parks	2,000
8	Growth Thru Art, Inc.	10,000
9	Dillon Jr. Fiddlers Assoc.	9,000
10	Stillwater Historical Society	5,500
11	Ikebana International	1,500
12	Polson City Library	2,000
13	St. Vincent Hospital	6,630
14	Huntley Project Museum	1,000
15	Huntley Project Museum	440
16	Libby MIA Writers Group	1,500
17	Broadway 215	2,000
18	Bigfork Art & Cultural Center	3,000
19	<u>CASCADE COUNTY ARTIST SPEAK</u>	<u>7,500</u>

20 (4) An amount not to exceed \$10,400 is appropriated to  
 21 the Montana arts council for project evaluations from any  
 22 funds that revert from the projects subject to the  
 23 appropriations in subsection (3). The evaluations must be  
 24 done after July 1, 1990, for the purpose of preparing a  
 25 report on the projects for the 52nd legislature.

1 (5) ANY FUNDS THAT REVERT FROM THE PROJECTS SUBJECT TO  
 2 THE APPROPRIATIONS IN SUBSECTION (3) MAY BE USED TO INCREASE  
 3 THE GRANT TO THE STILLWATER HISTORICAL SOCIETY UP TO A  
 4 MAXIMUM OF \$9,000.

5 NEW SECTION. Section 4. Reversion of granted funds.  
 6 (1) On October 1, 1990, all project funds reappropriated  
 7 from the 1989 biennium, but not disbursed, must revert to  
 8 the cultural and aesthetic projects account provided for in  
 9 15-35-108. If the funds in the cultural and aesthetic  
 10 project account are insufficient to fund projects at the  
 11 appropriation levels in [section 3(3)], the Montana arts  
 12 council shall allocate the available funds on a pro rata  
 13 basis to the authorized projects.

14 (2) On July 1, 1991, any unencumbered balance of the  
 15 1991 biennium grants must revert to the cultural and  
 16 aesthetic projects account provided for in 15-35-108.

17 NEW SECTION. Section 5. Effective date. [This act] is  
 18 effective July 1, 1989.

-End-

**SENATE STANDING COMMITTEE REPORT**

April 8, 1989

MR. PRESIDENT:

We, your committee on Finance and Claims, having had under consideration HB 507 (third reading copy -- blue), respectfully report that HB 507 be amended and as so amended be concurred in:

Sponsor: Connelly (McClane)

1. Page 9, line 20.

Following: line 19

Insert: "Grandstreet Theatre

8,125"

**AND AS AMENDED BE CONCURRED IN**

Signed: \_\_\_\_\_

  
Pete Story, Chairman

**SENATE  
HB 507**

## HOUSE BILL NO. 507

INTRODUCED BY CONNELLY

BY REQUEST OF THE LONG-RANGE PLANNING SUBCOMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAWS GOVERNING ADMINISTRATION OF THE CULTURAL AND AESTHETIC PROJECTS GRANTS PROGRAM; ESTABLISHING PRIORITIES FOR GRANT AWARDS; APPROPRIATING MONEY FOR CULTURAL AND AESTHETIC GRANTS; AMENDING SECTIONS 22-2-306 AND 22-2-309, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 22-2-306, MCA, is amended to read:

"22-2-306. Grant conditions -- additional funds -- accounts and reports. (1) No A grant may not be awarded unless the grantee accepts the Montana arts council's conditions of the grant and signs a contract stipulating those conditions.

(2) A grantee must agree in writing that:

(a) the grantee is the official and sole agency for the administration of the project described in the grant agreement; and

(b) no person will, on the grounds of race, color, national origin, sex, or age, be excluded from participation in, be denied the benefits of, or be subjected to

discrimination under any program or activity that results from the expenditure of grant funds.

(3) The grantee must agree that the funds granted will be expended solely for the purpose and activities described in the approved proposal. All funds granted to the grantee must be spent or encumbered during the grant period.

(4) Disbursements to grantees must be as follows, based upon the cash flow needs of the projects and the revenues available:

(a) Projects that are to receive more than \$10,000 may receive an amount not exceeding 25% of the grant award in the first 6 months of the biennium, 50% in the first year of the biennium, 75% in the first 18 months of the biennium, and the balance in the remainder of the biennium. Within such the limitations contained in this subsection, the amount of each payment must be determined by the Montana arts council in its discretion. Each payment may be made only after an examination of the costs incurred in the project and the amount, if any, of the unencumbered or unexpended balance of prior grant payments for the project.

(b) Projects that are to receive \$10,000 or less may receive the total grant in any fiscal quarter if the Montana arts council determines that the cultural and aesthetic project account has funds available and that, after an examination of the costs incurred by the project, total

1 payment is appropriate.

2 (c) A grant award budget may be modified in accordance  
3 with this subsection. A grantee may modify line items in an  
4 approved budget in an amount not to exceed 10% of the total  
5 grant award. A grantee may, with permission of the Montana  
6 arts council, modify line items in an approved budget in an  
7 amount not to exceed 20% of the total grant award. No such A  
8 modification may not increase the grant award or change the  
9 scope or purpose of the award.

10 (5) The grantee must maintain accounts, records, and  
11 other pertinent material pertaining to the costs incurred  
12 and expenditures made under the grant. The system of  
13 accounting employed by the grantee must be in accordance  
14 with generally accepted accounting principles and be applied  
15 in a consistent manner so that project costs and  
16 expenditures can be clearly identified. Accounts, records,  
17 and other pertinent material must be maintained for 3 years  
18 from the official termination date of the grant period or  
19 until an audit, approved by the council, has been completed  
20 and any questions arising from the audit have been resolved  
21 to the satisfaction of the council.

22 (6) Grantees must submit to the council semiannual  
23 reports of expenditures during the course of the project and  
24 such other financial and descriptive reports as that the  
25 council may require. The grantee must submit, within 30

1 days after completion of the project, a final financial  
2 report and a narrative report stating what was accomplished  
3 with the grant. Five percent of the total grant award must  
4 be held pending receipt of final reports by the council.  
5 With regard to grantees who in the past have submitted late  
6 reports, 30% of the grant award may be held pending receipt  
7 of final reports by the council.

8 (7) The council may, at the principal place of  
9 business of the grantee and during regular business hours,  
10 examine any directly pertinent records, accounts, and  
11 documents of the grantee involving transactions related to  
12 the grant."

13 **Section 2.** Section 22-2-309, MCA, is amended to read:

14 "22-2-309. Grant categories. (1) The following  
15 categories are established for grant funds:

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17 aesthetic activities, services, or events of limited  
18 duration;

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20 have been in existence for at least 2 years and whose  
21 budgets reflect only the cost of continuing their current  
22 program;

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24 construction, or renovation of facilities; and

25 (d) challenge grants for permanent endowments to

1 benefit cultural nonprofit grant recipients.

2 (2) The Montana arts council may require a match in  
3 cash or donated services for special project and operational  
4 support grants. There is a presumption that the match must  
5 represent \$1 in value for each dollar of the grant. The  
6 Montana arts council may accept matches in excess of the  
7 presumed value or may in its discretion require a lesser  
8 amount.

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10 total grant funds appropriated. Capital expenditure grants  
11 require a match of at least \$3 in cash or donated goods and  
12 services, which goods and services must be donated  
13 specifically for the capital expenditure project, to receive  
14 each dollar of grant funds.

15 (4) Challenge grants require a match of at least \$3 in  
16 cash or irrevocable planned or deferred gifts to receive  
17 each dollar of grant funds. Challenge grants are available  
18 upon meeting the specified match. Not less than one-third  
19 of the specified match must be in cash. Not more than  
20 one-third of the match may be in wills, devises, and  
21 bequests, and paid-up life insurance policies. A devise may  
22 include retention of an irrevocable life estate by the  
23 donor."

24 **NEW SECTION. Section 3.** Appropriation of cultural and  
25 aesthetic grant funds -- priority of disbursement. (1) The

1 Montana arts council shall disburse money appropriated by  
2 [this act] with priority given to subsection (2), followed  
3 by subsections (3) and (4), respectively. The Montana arts  
4 council shall include in the award contract under this  
5 section a statement binding the grant to any contingencies  
6 established in the recommendations of the cultural and  
7 aesthetic projects advisory committee submitted to the  
8 legislature under 22-2-302 or any other contingencies as  
9 modified by the long-range planning subcommittee and as  
10 reflected in the official minutes of the subcommittee.

11 (2) If the funds in the cultural and aesthetic  
12 projects account were insufficient in the biennium ending  
13 June 30, 1989, to fund projects in the amount for which they  
14 were appropriated, the funds for the projects are  
15 reappropriated from the account until funds have been  
16 disbursed to fully cover appropriations or until October 1,  
17 1990, whichever comes first.

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19 appropriated to the Montana arts council for the biennium  
20 ending June 30, 1991, from the cultural and aesthetic  
21 projects account:

<u>Project</u>	<u>Amount</u>
22 Shakespeare in the Parks	\$ 15,000
23 Billings Symphony Society	15,000
24 Helena Film Society	50,000

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1	Oral History Office	70,000
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3	Parmly Billings Library Foundation	25,000
4	Paris Gibson Square	30,000
5	Missoula Children's Theatre	20,000
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8	Custer County Art Center	12,000
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12	Great Falls Symphony Assn.	9,500
13	Western Heritage Center	15,000
14	Vigilante Players, Inc.	13,000
15	Hockaday Center for the Arts	15,000
16	Helena Film Society	10,000
17	Montana Inst. of the Arts Fdn	15,000
18	Shakespeare in the Parks	30,000
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20	Montana Art Gallery Dir. Assoc.	25,000
21	Hockaday Center for the Arts	25,000
22	Paris Gibson Square	10,000
23	Helena Arts Council	30,000
24	Yellowstone Chamber Players	8,000
25	Garnet Preservation Assoc.	14,500

1		<u>10,000</u>
2	KUSM Public Television	20,000
3	Hellgate Writers, Inc.	13,700
4	Fort Peck Fine Arts Council	20,000
5	Montanans for Quality TV	15,000
6	Museum of the Rockies	25,000
7	Billings Preservation Society	10,000
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9	Watershed Foundation	15,000
10	MSU Media & Theatre Arts Dept.	20,000
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13	Daly Mansion Preserv. Trust	25,000
14	Red Lodge Music Festival	10,000
15	Bigfork Center for Perf. Arts	9,000
16	Montana Folklife Project	50,000
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5	MT Indian Art & Culture Assoc.	10,000
6	Fox Committee for the Perf. Arts	10,000
7	Montana Fish, Wildlife & Parks	2,000
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15	Huntley Project Museum	440
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17	Broadway 215	2,000
18	Bigfork Art & Cultural Center	3,000
19	<u>CASCADE COUNTY ARTIST SPEAK</u>	<u>7,500</u>
20	<u>GRANDSTREET THEATRE</u>	<u>8,125</u>

21 (4) An amount not to exceed \$10,400 is appropriated to  
 22 the Montana arts council for project evaluations from any  
 23 funds that revert from the projects subject to the  
 24 appropriations in subsection (3). The evaluations must be  
 25 done after July 1, 1990, for the purpose of preparing a

1 report on the projects for the 52nd legislature.

2 (5) ANY FUNDS THAT REVERT FROM THE PROJECTS SUBJECT TO  
 3 THE APPROPRIATIONS IN SUBSECTION (3) MAY BE USED TO INCREASE  
 4 THE GRANT TO THE STILLWATER HISTORICAL SOCIETY UP TO A  
 5 MAXIMUM OF \$9,000.

6 NEW SECTION. **Section 4.** Reversion of granted funds.  
 7 (1) On October 1, 1990, all project funds reappropriated  
 8 from the 1989 biennium, but not disbursed, must revert to  
 9 the cultural and aesthetic projects account provided for in  
 10 15-35-108. If the funds in the cultural and aesthetic  
 11 project account are insufficient to fund projects at the  
 12 appropriation levels in [section 3(3)], the Montana arts  
 13 council shall allocate the available funds on a pro rata  
 14 basis to the authorized projects.

15 (2) On July 1, 1991, any unencumbered balance of the  
 16 1991 biennium grants must revert to the cultural and  
 17 aesthetic projects account provided for in 15-35-108.

18 NEW SECTION. **Section 5.** Effective date. [This act] is  
 19 effective July 1, 1989.

-End-